



State of California

1992 Annual Report

California Division of Tourism
(California Tourism)

California Technology, Trade & Commerce Agency
Lon S. Hatamiya, Secretary

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OVERVIEW

Purpose

This Annual Report details the California Division of Tourism (DOT) marketing plan for the 1993/94 fiscal year (FY) and reviews activities of the 1992 calendar year. It is submitted annually on March 31 to the Governor, the State Legislature and the California Tourism Commission (CTC) as specified by the California Tourism Policy Act of 1984.

California Trade and Commerce Agency

The California Division of Tourism is part of the California Trade and Commerce Agency (T&C), which was established on January 1, 1993. This new agency (now comprised of the former California Department of Commerce, California World Trade Commission and California's Overseas Offices) is responsible for economic development. T&C includes three major operational areas: Tourism, Economic Development and International Trade and Investment.

T&C's Economic Development and International Trade and Investment Divisions are involved in: attracting businesses to invest in California; assisting companies with locating their operations to California; encouraging companies to stay in California; assisting California companies with exporting their products; promoting California goods abroad; assisting companies with understanding and complying with regulatory and permit requirements of the State (including environmental regulations); promoting television and film production within California; encouraging the successful establishment of small businesses; encouraging rural economic development; and encouraging the preservation of historic downtown districts through developmental and operational incentives.

California Division of Tourism

The California Division of Tourism's mission is to stimulate economic and job development by promoting travel to and within California.

California's DOT does what California's travel industry is unable to do on its own. Namely, promote travel to and speak for the travel destination of "California."

The DOT program benefits California's travel industry, and thus California's economy and work force, in many ways, including:

- Using the influence of state government to increase visibility and exposure for California travel marketers through larger groups, official delegations, coordinated trade show sections and combined publications.
- Involving multiple state and federal agencies (State Parks Service, California Arts Council, CALTRANS, Fish and Game, USTTA, U.S. Forest Service, Bureau of Land Management , etc.) on tourism projects which individual entities could not, as effectively, conduct on their own.
- Bringing competitive organizations together to achieve statewide or regional goals.
- Initiating statewide promotions at a scale that individual members of the travel industry -- even those with extensive resources -- would not be able to achieve on their own (i.e., Japan Consumer Promotion, Fun Spots, California Dream Days).

California's Travel Industry

California's travel industry is comprised of varied segments: accommodations (hotels, motels, inns, vacation home rentals, commercial campgrounds and recreational vehicle parks), attractions, restaurants, retail establishments, recreational facilities and services, air and ground transportation, travel agencies and car rental companies... each very different enterprises, but with a common purpose... serving travelers.

In 1980, the DOT divided the state into 12 tourism regions (North Coast, Shasta-Cascade, High Sierra, Gold Country, San Francisco Bay Area, Central Valley, Central Coast, Deserts, Inland Empire, Greater Los Angeles Area, Orange County and San Diego County). The regions have physical, cultural or touristic diversity, useful in communicating the diverse travel experiences to be found within The Golden State.

Eight of the regions (North Coast, Shasta-Cascade, High Sierra, Gold Country, Central Valley, Central Coast, Inland Empire and Deserts) are identified as rural regions and, because they are considered to be "lesser-known and underutilized destinations," receive special attention and assistance, as required by the California Tourism Policy Act of 1984.

This does not mean, however, that the better-known urban destinations receive less attention. The San Francisco Bay Area, Greater Los Angeles Area, Orange County and San Diego County, because they have the largest and best-funded tourism marketing organizations both from tourism businesses and destination marketing organizations (convention and visitors bureaus and chambers of commerce), are active partners with the DOT in promoting travel to California.

State of the Industry

Tourism is arguably California's largest industry. In 1991 (the latest year measured), it contributed \$54.1 billion to the state economy in travel spending, \$2 billion in state taxes, \$1 billion in local taxes and employed 733,000 Californians (second only to health care).¹

California is the number one travel destination in the U.S. The state tabulated 259 million person trip visits in 1991, 194.6 million leisure trips and 64.4 million business trips.² Volume of visitation has grown steadily over the past decade, though at a slower pace since 1989.

Actual tourism employment dropped by 2 percent, from 748,000 in 1990 to 733,000 in 1991. The industry has come to realize that the 1990s are the "value decade" for tourism. A time when special offers, coupons and packages have replaced the '80s decade of tremendous growth and image advertising.

Of leisure travelers in California, 155 million trips were taken by Californians (80 percent), 34 million trips were taken by residents of other states (17 percent) and 5.6 million trips were taken by international visitors (3 percent).³ These numbers are somewhat deceiving, however, as travel spending from out-of-state travelers is much larger, per capita, than from Californians.

Travel spending in California is half again larger than in Florida and seven times bigger than in Hawaii.⁴ However -- though travel spending grew 3.7 percent in 1991 -- when adjusted for inflation, a relative decline in spending occurred for the first time since 1982 (a period of similar recession).⁵

As will be detailed later in the Market Share section, California's position as the number one destination in the U.S. is eroding. California is losing overall share of leisure travel in the U.S., of travel from Japan, from Canada, from the United Kingdom⁶ and among Honeymooners.⁷ However, gains in market share have been made in travel from Germany and Mexico.⁸

1992 in Review

California experienced an extraordinary number of disasters in 1992. A sixth year of drought, the Humboldt earthquake, the Los Angeles riots, the Yucca Valley earthquake,

¹California Travel: Its Economic Impact, Office of Economic Research, November, 1992.

²1991, DKS&A Directions; California Office of Tourism

³ibid.

⁴1992, U.S. Travel Data Center

⁵California Travel: Its Economic Impact, California Office of Economic Research, November, 1992

⁶The State of the Industry: The Big Picture

⁷The MODERN BRIDE Honeymoon Market Reports 1977/78 through 1990/91

⁸The State of the Industry: The Big Picture

the white fly infestation, the Big Bear/Lake Arrowhead earthquakes and the Temecula Valley and Russian River floods, among other disasters, followed one another with extraordinary frequency. At one point it seemed that anything that could possibly could go wrong was occurring in California. Then Hurricane Andrew hit, devastating South Florida and Hurricane Iniki struck Kauai, Hawaii, severely damaging tourism in both of those states.

The economic recession hurt tourism more by diminishing California's luster as a place where everything goes right, than from significantly affecting travel. During recession, people travel close to home. So, with a large resident population, the losses which California tourism experienced from reduced travel from other places were offset by increased travel within the state. In contrast, Hawaii and Nevada which have small resident populations and which depend heavily upon travel from California reported severe tourism declines in 1992.

Complicating these events were the airfare wars of spring and early summer. This was met with the greatest ticket office rush, or "counter crush" of all time. However, coupled with the Los Angeles riots, families headed on package trips to Florida. California's share of airfare travel was Visiting Friends and Relatives (VFR), which did not benefit hotels. The result was mixed.

A positive event in June occurred when California conducted what many said was the most successful Discover America International Pow Wow (travel trade show) ever held which helped reverse the negative impressions made by the riots.

Market Share

With the adoption of the 1992/93 research program in July 1992, the DOT initiated a search for standardized methods to measure California's share of domestic and international tourism. Since the DOT focuses primarily upon attracting leisure travelers, market share analysis likewise centered upon the leisure market.

National Family Opinion (NFO) Survey was selected as the source of California's domestic market share data and the United States Travel and Tourism Administration (USTTA) In-flight Surveys were selected as the source of California's international market position data. Adjustments were made by independent consultants to make the two data sources more compatible for purposes of comparison and calculating total leisure travel volume to California.

According to these measures, domestic travel share has dropped from 12.3 percent in 1989 to 11.3 percent in 1991. The studies further show that California's share of overall leisure travel has actually weakened most during summer months when travel spending is at its highest.

California's Share of U.S. Leisure Travel⁹

⁹Domestic Travel to California, D.K. Shifflet & Assoc. 1992

	ANNUAL	JAN-MAR	APR-JUN	JUL-SEP	OCT-DEC
	%	%	%	%	%
1989	12.3	14.7	11.5	10.8	12.9
1990	11.7	13.8	10.7	10.4	12.7
1991	11.3	12.6	9.8	10.7	12.7

This loss in market share equates to a \$1.5 billion loss in travel spending, \$57.2 million fewer state taxes collected, \$27.9 million less in local taxes collected and 20,300 fewer jobs in the state, than had California retained its 1989 market position.

Three causes are believed to have caused this decline in California's share of leisure travel: increased competition from other states and destinations, too little budgeted by the state for tourism promotion and the effect of negative events upon California's desirability as a travel destination.

Internationally, the most meaningful data is obtained by looking individually at the countries from which California's visitors originate.

California's Share of Overseas Visitors to the U.S.¹⁰

	No of U.S. Visitors	No. of CA Visitors	% of U.S.	No. of CA Vacation Visitors	% of U.S.
Japan	3,319,900	989,000	29.8	342,000	34.6
United Kingdom	2,495,400	664,000	26.6	410,000	61.7
Germany	1,430,200	532,000	37.2	408,000	76.7
France	770,200	268,000	34.8	167,000	62.2
Italy	478,900	186,000	38.8	126,000	67.6

¹⁰In-Flight Survey, USTTA, 1991; California Office of Tourism

FY 1992\93 Program Evaluation

Marketing Strategy

The DOT's marketing program is divided into three major marketing programs: in-state, domestic and international marketing. Traditional tools of marketing are utilized, as appropriate, for each of these programs: economic and market research, advertising, public relations and publicity, promotions, direct marketing, sales promotion, collateral and fulfillment, and special events.

As directed by the California Tourism Commission (CTC) in its Spring 1992 meeting, the tourism marketing program involves public/private cooperation as much as possible and seeks to extend the purchasing power of the State's budget through cooperative agreements and private partnerships.

Illustrative of the success of this approach, the DOT was able to leverage its \$7.5 million allocation with an additional \$27,208,845 in private cooperative funding. This is more than twice the amount of co-op funding raised in the previous year.

The only reason that this incredible sum was generated is because California has a Division of Tourism. Only because the DOT is able to bring together competing or unrelated marketing organizations (i.e., Disney and Universal, or Coca Cola and United Airlines) does this private sector support exist. Without the DOT and a budget to make these synergistic events occur, the private funds to promote the destination of California would not exist.

Supported by general consensus within California's travel industry, the CTC has established the general strategy of promoting travel to California's lesser-known and underutilized destinations inside California and to all California destinations outside California.

The CTC has also asserted that international and domestic markets for California be developed, with emphasis on markets which bring new tourists and ergo, new revenue into the State. The State of California serves a critical role in the industry's ability to tap these lucrative and growing markets, in that it often opens relations and lines of business with these new markets or provides a different dimension to their own marketing activities. This can give California travel businesses a competitive advantage to travel businesses in other states and destinations.

California's tourism icons, such as the Golden Gate Bridge, Disneyland and the Hollywood sign (including many others), are signature items which have high value in stimulating recognition and purchase of California vacations. Because a destination is successful or highly recognized, such as these icons, does not eliminate it from being

promoted within the State's marketing program. In fact, just the opposite may be needed in order to sell travel to California, effectively. Likewise, just because a destination is little-known or unrecognized does not eliminate it from being promoted within the State's marketing program, either. New destinations may be just as useful in stimulating travel to California.

The DOT tries to be balanced and democratic in its representation of all regions, destinations and attractions within California, but it is not always possible or productive to identify every city, region or attraction within the state. At times, it may be counterproductive to do so.

The objective of this program is to effectively market travel to and within California. Decisions on what to identify should be made on what works best for the given market and should be made only by the DOT with consent of the CTC.

FY 1992/93 overall goals and objectives included:

- To continue heightening positive top-of-mind awareness of CALIFORNIA as the "premiere" travel and vacation destination among key targeted geographic, demographic and sociographic market segments, in targeted areas of the United States, Canada and overseas. The in-state focus was on adults, ages 25-plus with household incomes exceeding \$35,000, and out-of-state, on adults ages 35-plus and with household incomes of \$50,000.
- To encourage, persuade and motivate these "target markets" to increasingly choose California as their preferred travel and vacation destination.
- To serve as a catalyst in developing strong public/private partnerships to promote tourism to the State, via the execution of marketing programs designed to achieve the mutually beneficial objectives of all participants - public and private.
- To maximize the addition of the private sector investment. This is a valuable effort which gives the State maximum impact for its dollars invested.
- To serve as a catalyst in securing State tourism industry involvement in selected domestic and foreign travel trade shows. Many regions, smaller chambers and convention bureaus and attractions can now market to an international audience because of this State effort, making trade show attendance economically possible.
- To continually communicate with California's tourism industry, the media (domestic and international), and the travel trade. This will facilitate more effective planning and participation on the part of the private sector.
- To actively measure and assess marketing effectiveness and impact. The State does not have a "main gate" or "ticket counter" at which to measure sales. Other methods such as visitor characteristic studies, visitor impact studies, pre/post research focus groups and coupon redemptions must be used to assess effectiveness.
- To stimulate travel to lesser-known and underutilized destinations and work with these destinations in the development of their regional tourism marketing programs.

- To serve as a marketing umbrella for California as a year-round vacation destination. The State's role is not to replace the private sector's efforts in marketing California as a tourism destination, but rather to complement them.
- To generate private sector support to assist the State in communicating California's unique offerings and attractions.
- To effectively educate and motivate the travel trade with sales missions, familiarization tours (fam tours), educational seminars and sales calls promoting California in targeted markets.

Economic Development

The California Division of Tourism (DOT) is mandated by Section 15364.51 (i) of the California Tourism Policy Act of 1984 to "encourage investment in new tourism facilities and renovation of older facilities." In light of that mandate and as a part of the California Trade and Commerce Agency (T&C), the DOT was actively involved in working to attract new tourism investment to California and to retain tourism business expansion and retention, during the past year.

Disney's Westcot

Objective: To assist The Walt Disney Company in its efforts to expand its Disneyland attraction at Anaheim into a world-class destination resort, with the addition of a major new attraction and resort complex, similar in concept to Epcot in Florida, to be called "Westcot."

Description: In the Fall of 1992, the Director of Commerce established a multi-agency "Red Team" of which the DOT was an integral part, to assist The Walt Disney Company in its efforts to build Westcot.

Westcot is the largest economic development planned in California. It will involve \$3 billion in capital investment by the Disney organization and create 28,000 new jobs.

In addition to the new Westcot theme park, the Disney Resort complex would add 4,600 hotel rooms, a retail and restaurant district, an intermodal transportation center and \$1 billion of related infrastructural improvements to the Anaheim area.

The DOT was active in pressing for creative solutions which would allow Disney to proceed, while also solving regional environmental and transportation problems. The project would have enormous benefit to tourism throughout California, stimulating a rebirth in visitation and reestablishing California as the dominant destination on the Pacific Rim.

Measurement: Should the "Red Team" succeed at finding solutions which allows Disney to build the project, \$90 million in new state tax revenues would be generated from increased tourism. In addition, the expansion is anticipated to generate \$2.4 billion annually in additional economic activity in the five-county Southern California region.

Lego World

Objective: To encourage Lego, the manufacturer of children's learning blocks, to locate its North American family theme park in Carlsbad, California.

Description: Beginning last year, the DOT assisted San Diego-area economic development representatives in working to convince Lego World A/S to choose Carlsbad as the site of a North American family theme park. Lego World A/S is one of the world's oldest and largest privately held companies. Last year, it announced plans to build a North American counterpart to its famous Legoland Park, which is located in Billund, Denmark. Several U.S. areas were identified as possible locations for the park. Boston, Washington, D.C. and San Diego County were front-runners, though other sites, including San Antonio, Texas, competed to be a finalist.

Among its efforts to lure Lego, the DOT contributed toward the funding of a feasibility study to document the attractiveness of San Diego County as a location for the placement of family attractions, participated in several meetings with Lego officials, prepared point papers to promote the benefits of locating in San Diego County and even sent its Director of Tourism Marketing, along with a representative of the San Diego Convention and Visitors Bureau to Billund, while in Germany to attend International Travel Exchange, Berlin (ITB), one of the industry's largest trade shows.

Measurement: In response to these efforts, Lego recently announced that it has cut its list of final locations to two: Prince William County, Virginia and San Diego County, California. Should Carlsbad, California be the eventual selection of Lego, the "Red Team" efforts of T&C and the DOT will have been successful in attracting 3,500 new jobs and \$100 million in additional capital investment to California. A final decision is expected in July.

Viejas Indian Reservation

Objective: To assist the Viejas Indian Reservation in eastern San Diego County with developing a 120-acre theme park and 40-acre water park complex.

Description: The Viejas Band of the Kumeyaay Indian Nation have searched for many years to find a means of attaining economic prosperity for their people. After a year's close work with Gold Springs Enterprises, Inc., a San Diego-based resort development company, the Viejas have decided to proceed with the development of a family entertainment and resort attraction on 7 percent of the Band's 1,700 acres, located approximately 30 miles east of downtown San Diego.

The DOT has met with tribal leaders and representatives of Gold Springs Enterprises, toured the site and offered its recommendations about how best to proceed. A "Red Team" will follow.

Measurement: If developed, this project would contribute \$250 million in capital investment and has the potential to attract 2 million visitors per year with \$102 million in annual revenues. More than 2,400 permanent and part-time jobs would be created for an

annual payroll of \$32.5 million, but more than that, the Kumeyaay Indians will receive a number of additional benefits, including police, fire, roads, water and sewage treatment plants, flood and erosion control, water reclamation, improved environmental planning and utilization for the remaining reservation land. The development has been planned to assure tribal well-being, sovereignty and preservation of the Viejas Indian lands.

Jazz Street

Objective: To assist African-American leaders in South Central Los Angeles to utilize tourism as a means to bring economic benefit to the community and to preserve African-American culture and music.

Description: On Degnan Street near Crenshaw in South Central Los Angeles, Marla Gibbs, a well-known African-American actress, has established a cultural center where residents of the African-American community can practice their culture's arts. Called the Crossroads Arts Academy, the facility includes several shops, owned and operated by African-Americans, which emphasize Black history, culture and the arts.

The corners of this block contain empty lots or burned out buildings where liquor stores once stood, destroyed during the Los Angeles riots. A 1,000-seat theater is owned by Ms. Gibbs which can be renovated and used for special concerts and community programs. It is structurally sound, but needs investment and improvement. Ms. Gibbs' dream, shared by many other business leaders in the community, is to attract tourists to the street through promotion of African-American music and arts. Jazz supper clubs located throughout South Central Los Angeles would be relocated to "Jazz Street" and the district would be promoted as a tourism destination. A full description of the concept is available from the DOT.

The DOT representatives visited with local business leaders and developed a plan to develop a jazz district in Los Angeles, to be called "Jazz Street". The DOT also applied, unsuccessfully, for government grants to assist in the development of a feasibility study to assist in acquiring financing for the project. The DOT has coordinated a future meeting between the community business leaders and representatives of Rebuild L.A. and has forwarded the business concept to entertainment and tourism industry leaders for their analysis and comment.

What is needed in the community are long-term solutions to the underlying causes of racial conflict and lack of economic opportunity, such as "Jazz Street," which fits the social and cultural nature of the community.

There is a general misperception among some in the tourism industry and minority communities, that tourism cannot be brought into densely populated minority communities. This is not so. Numerous examples exist throughout the nation in which tourists seek out restaurants, entertainment districts and attractions within minority communities. To be successful, however, these facilities must be of high quality and visitor security must be assured. Tourism, in fact, has one of the greatest opportunities to directly benefit minority communities, because it is labor intensive, does not necessarily

require a high degree of technological development, is relatively easily established and provides opportunities for advancement, economic prosperity and self-determination.

Measurement: If successful, these efforts will help the community leaders in getting public attention and financial support for the development of "Jazz Street", which could benefit the community not only from economic and jobs standpoints, but also from the preservation of African-American arts, music and culture.

Issue Analysis

One of the lesser-known aspects of the DOT is the extensive amount of support, research and analysis provided to the Governor, State Legislature, travel industry, public and other agencies of state government on various issues and proposed legislation. Here are some of the important issues which the DOT has provided analysis, during the past year:

U.S. Customs Pre-Clearance

The DOT was successful in getting U.S. Customs to delay its order prohibiting flights from Canada from flying directly to Palm Springs, allowing the Palm Springs Airport to become certified to handle direct flights. This effort saved the Palm Springs community and California from several million dollars in lost tourism and tax revenues.

Cruise Ship Gambling

The DOT has provided analysis related to gambling aboard cruise ships. The impact upon California should all cruise ships withdraw from this market would be \$82.2 million and a loss of 2,500 jobs.

Campground Transient Occupancy Tax (TOT)

The DOT investigated issues related to extension of TOT to commercial campgrounds.

Scenic Highways and Byways

The DOT helped establish an interagency committee on Scenic Highways and Byways, to expand opportunities for lesser-known and underutilized destinations within California to benefit from travel along scenic corridors. As discussed later, a federal grant was obtained for the funding of a California road map to include scenic roads.

Crisis Response

As identified earlier in this report, natural and civil disaster severely reduced travel to several areas of California. In response, the DOT authorized the application of advertising funds for programs designed to return tourism to normal levels in the affected areas. In particular, cooperative grants were provided to the North Coast region, following an earthquake which damaged tourism to Humboldt County; to the Greater Los Angeles region, following the Los Angeles riots; to the Inland Empire, following a series

of earthquakes which affected Lake Arrowhead and Big Bear; and to the Inland Empire, after flooding affected tourism in Temecula.

Humboldt Earthquake Crisis Response

The morning after the Humboldt earthquake struck last April, the DOT staff called Humboldt County tourism officials to determine what assistance they required. The DOT determined that they did not have the resources or experience to handle media relations for this kind of publicity intensive event. The DOT sent staff to the area to consult with local tourism leaders on disaster response. The DOT recommended a recovery program, in cooperation with Humboldt County's chamber of commerce, to provide a needed press kit, publicity releases and other publicity assistance. In addition, The DOT suggested that a cooperative advertising program be launched to counteract the negative impact of the earthquake upon tourism.

Description: A three-week radio campaign on top San Francisco radio stations was conducted in September through October 1992 to counteract the negative images of travel in an earthquake stricken area. The "Coast is Clear" radio spots, enticingly narrated by actress Sally Kellerman, were cooperatively sponsored by the DOT and Humboldt County with in-kind contributions from participating radio stations.

The DOT was also able to facilitate a co-sponsorship for Humboldt County at the eighth annual San Francisco Festival of Restaurants, A La Carte, A La Park, over the Labor Day weekend. Humboldt County received 39 mentions on KKSF-FM as well as event signage in return for providing four weekend getaways. The additional media exposure was worth \$10,500 to Humboldt County.

Measurement: The Eureka/Humboldt County Convention and Visitors Bureau reported that thousands of phone calls were received shortly after the commercials aired; so many, in fact, that they had to add a second line to handle the increased interest in visiting Humboldt County. Tourism jumped immediately and has stayed at higher levels than were projected at the time of the earthquake. Months after the spots stopped airing, Humboldt County innkeepers continued to report people arriving who said they had been motivated by the commercials. As evidence of the power of the commercials, Humboldt County has decided to pay continued residual fees to Ms. Kellerman in order to be able to use the commercials again.

Budget:	DOT	\$25,000
	Humboldt County	\$25,000

Los Angeles Riot Crisis Response

Immediately following the Los Angeles riots in May, the DOT conducted surveys of USTTA international offices to measure the effect of the riots upon intent to travel to California. The DOT conducted a region-wide meeting with tourism leaders in Los Angeles and from it articulated a plan to respond to the crisis and reassure travelers about travel to California.

Description: A national public relations campaign was conducted, utilizing the services of Edelman Public Relations in Los Angeles. Radio and newspaper interviews by the Director of

Tourism with various interview programs were conducted throughout the U.S. An event was staged at Los Angeles International Airport on California Admissions Day, welcoming travelers to California. And, other communications activities were completed.

Additionally, the DOT met with civic leaders in South Central Los Angeles to provide guidance in determining how local businesses can best benefit from tourism. A concept was drafted with the organizers of the Crossroads Arts Center to establish a contemporary music district on Degnan Street near Crenshaw. This district would be called "Jazz Street" and be a modern jazz equivalent of Bourbon Street in New Orleans. A conceptual paper was drafted for its organizers, an attempt was unsuccessfully made to acquire a financial grant for the project and a meeting has been set to introduce the concept to officials within Rebuild L.A.

In a related effort, the Director of Tourism met with a large incentive group in Osaka, Japan, which was in the process of considering bringing \$20 million in travel spending to California, but who wanted with reassurance that their group would be safe. As a result of this meeting, California was successful in securing the sales incentive group which would have otherwise selected Australia. This and other meetings and interviews with Japanese business leaders and trade media by the DOT has helped offset the extraordinarily negative impressions made by the riots and related publicity about crime.

Budget:	DOT	\$150,000
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Los Angeles Arts Passport

In cooperation with the California Arts Council, the DOT has participated in underwriting an arts passport for Los Angeles. The passport will be used to encourage travelers to attend arts events, concerts, programs and galleries within Los Angeles. The intent of this program is to demonstrate to travelers that Los Angeles is culturally rich and to extend visitation in the area.

The passport is now in production, so measurement is not yet available, though it will be measured by the California Arts Council through redemption of coupons at arts venues. A similar program is being supported for San Jose and the DOT has recommended that a statewide arts passport be developed. The DOT would offer the passport through its 800 line fulfillment service.

Measurement: Tourism officials within Los Angeles have expressed outspoken appreciation for the efforts conducted by the DOT. It is the DOT's assessment, however, that while the amount of media received from the public relations effort was greater than the cost of the promotion, it did not meet the DOT's expectations. In response efforts conducted this past year, advertising was more effective than public relations in turning around short-term purchase, though public relations may be more beneficial in restoring long-term confidence, as long as similar disasters do not recur.

That is the problem. Despite the calm in the community following the April 1993 verdicts, social unrest which precipitated the Los Angeles riots has not been resolved and could flare again -- though probably in lesser form -- at any time. Projects like "Jazz Street" could bring

strong economic benefit, minority ownership and management and pride to South Central Los Angeles.

Budget:	DOT	\$10,000
	Cooperative partner	\$82,000

Inland Empire Earthquake Crisis Response

A series of strong earthquakes, at first centered in the Yucca Valley, a largely unpopulated area, had serious effect upon the resort communities of Big Bear and Lake Arrowhead. The earthquakes did minor physical damage, but frightened away tourist business during the height of the summer season. The DOT, in response to a call from Janet Rock, the Inland Empire regional representative, underwrote an advertising campaign to encourage visitors to return to Big Bear and Lake Arrowhead.

Description: In response to the dramatic loss of business experienced by the rural mountain resort areas of Big Bear and Lake Arrowhead after the July 1992 series of earthquakes, the DOT, in partnership with the Orange County Register, produced a series of facing-page advertisements to restore visitation to the mountain areas. The advertisements, offering numerous travel incentives, ran in the Register for a five-week period, July through August. Circulation of the ads was approximately one million per issue. The *Register* discounted its advertising rates substantially to provide increased exposure: A long-standing relationship between the newspaper and the DOT provided a 50/50 match from the newspaper.

Measurement: The Lake Arrowhead Chamber of Commerce and Big Bear Chambers of Commerce credited this campaign with literally saving their summer and, according to Lake Arrowhead, keeping dozens of small businesses from going out of business. Hundreds of calls flooded the chambers of commerce seeking information about the coupon offers within the ads. Business returned to near-normal levels, quickly.

Budget:	DOT	\$25,000
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Syndicated Radio Feature

Objective: To gain positive national and international exposure for California through the use of a syndicated radio feature program.

Description: The DOT retained the internationally recognized travel broadcast team of Paul Lasley and Elizabeth Harryman (travel reporters on NBC's Today Show) to produce and syndicate a one-hour radio feature about California, following the Los Angeles Riots. The program positively portrayed the variety of activities to be enjoyed in all regions of California, but provided special emphasis to areas affected by natural and civil disasters, namely: Humboldt County, Los Angeles and the Inland Empire.

Measurement: The program aired on 92 stations nationwide and worldwide. On one station alone in Japan over 10 million people tuned in. Total audience is projected to top 20 million listeners, and the DOT is continuing to place the program on additional

stations, including potential placements on a national radio network and on airline audio channels.

Budget:	DOT	\$25,000
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Temecula Flood Crisis Response

Severe storms in January created a flood condition which washed through historic downtown Temecula, causing widespread news coverage and immediate, serious downturns in visitation to the area. Concerned that the floods would keep visitation depressed through spring and summer, the Inland Empire contacted the DOT and sought assistance.

Description: The DOT contacted the Los Angeles Times and Orange County Register and was able to secure deep discounts on placement of advertisements in the publications. The Temecula area was able to raise \$25,000 to match the State's \$25,000 grant, and the State's advertising agency, Livingston & Keye, produced sample advertisements for Temecula at no cost.

Measurement: The advertising has not yet run, but will be measured by Temecula merchants and tourism managers in the form of increased response to the advertising and change in travel volume.

Budget:	DOT	\$25,000
	Temecula	\$25,000

Crisis Response Lessons Learned

Advertising, applied effectively and relatively soon after a natural disaster can offset the impact of the disaster and stimulate economic recovery. Public relations activities should also be applied, if resources permit, to reestablish image and confidence in the quality of the tourism experience.

Public relations and advertising activities are less effective in restoring confidence in areas affected by social unrest. Face-to-face meetings with sales contacts can be effective, but only if there are long-term solutions to the causes of unrest. Personal safety and security are basic concerns of travelers. People can rationalize that there is little chance they will be in an area when a natural disaster occurs and that natural disasters occur everywhere on earth in some various form, but they are not as rational about civil unrest.

Our research showed that the more one is familiar with California, the less likely he or she is concerned about earthquakes or civil unrest and crime. Civil unrest and crime seem to be a serious concern only for the Japanese, people who reside in the northeast and some British and German residents. Positive images of California still far outweigh negative ones. Nevertheless, we must be watchful of our image, as it has been damaged and could continue to deteriorate which could have serious consequences for the State

economy and work force if the causes of negative impressions are not mitigated or aggressive promotion is not conducted to offset the impact of natural disasters.

As such, the DOT has included a line item within its budget for crisis response in FY 1993/94, to aid communities that do not have the ability, following crisis, to finance promotion. Conditions to receive this aid include that it be a state-declared disaster and that economic crisis be established by which a state contribution can assist in recovery.

Research and Evaluation

Research

During the 1991/92 fiscal year, the total budget allocated to the DOT was \$3.7 million. Recognizing that this did not allow purchase of advertising at a meaningful level and that the State lacked recent research which would help in directing where such advertising should be placed anyway, the DOT was authorized by the CTC to allocate most of its advertising funds for research.

The DOT research program is segmented into three categories: market research, economic research and program evaluation research. Additionally, the DOT provides technical assistance in areas of tourism research to California companies and destinations, as well as support to other the DOT programs in presenting findings to the State Legislature, travel industry and agencies of state and local government.

Market Research

An extensive market research agenda was developed and implemented as part of the Scope of Work of the State's advertising contractor, Livingston & Keye. Under the DOT's direction, bids for specialized research services were solicited from potential subcontractors. The successful bidder was CIC Research, Inc., a minority-owned research firm based in San Diego, which coordinated and conducted various primary research studies as a subcontractor to Livingston & Keye, the DOT's advertising agency. The cost of market research in the 1992/93 program year was \$266,650.

CIC was directed to develop the numbers and characteristics of domestic and international visitation to California. This included evaluating market potential, trends, visitor interests and preferences, and factors influencing California's competitive position in the travel marketplace. The resulting research was used in defining advertising purchased for the 1992/93 fiscal year and has been published and made available to travel marketers throughout California. Herewith is a summary of studies conducted and how they have been utilized. Full copies of all studies are available.

Domestic Travel to California: Visitor Origins, Characteristics and Attributes - A comprehensive, 1,000-page report on domestic travel to and through California was developed through a syndicated travel survey of over 30,000 households reporting each month on travel behavior, conducted by D.K. Shifflet & Associates Ltd. under contract to CIC Research.

A summary report and the detailed data tables are now available to the California travel industry, providing information on California market share, traveler demographics, party size, destinations visited, length of stay, method of transportation, and expenditures. This data became instrumental in the DOT's decision about where and when to launch its 1992/93 advertising campaign.

A custom telephone survey of U.S. households was also conducted. The purpose of this study was to determine the geographic markets, key characteristics and images of

California held by potential travel segments with the highest likelihood of traveling to California. This information was used by the State's advertising agency in designing the creative messages and selecting the placements for the State's advertising campaign.

International Image Study - To find out how earthquakes, drought, riots, drive-by shootings, and fires affected travel intentions, especially in light of aggressive competition from other states, surveys of German, British and Japanese visitors to the U.S. were conducted by CIC Research in late summer 1992. Results were used to prioritize markets within the DOT's International Marketing Program, and to refine strategies. For example, it was found that the German market has a very high propensity to travel to California, generates substantial expenditures, and has retained a very positive image of California.

Canadian Travel to and Perceptions of California - This report presents the results of a survey of 1,500 Canadian households by the Angus Reid Group, Inc. under contract to CIC Research, for the purpose of determining the State's competitive strengths and weaknesses. The study confirmed the importance of western Canadian provinces and led to the decision to include Calgary and Vancouver among the markets selected for the DOT advertising campaign. Travel perception data has helped focus certain advertising messages in specific Canadian provinces.

Additional studies conducted and both utilized to redirect domestic and international marketing activities and provided to California's travel industry to aid them in their marketing efforts are:

International Visitors to California, 1991
International Visitors to California, 1991. Summary
Special Report: Japanese Vacation Travelers
Special Report: German Vacation Travelers
Special Report: Mexican Vacation Travelers
Special Report: So. American Vacation Travelers
Special Report: United Kingdom Vacation Travelers

Currently in progress is the *California Outbound Study*, a report on the characteristics of Californians who vacation outside the State, to determine what attracts Californians to visit other states. This study will establish a basis for actions to stem some of the "leakage" of California resident vacation dollars to other states. California's contribution to participate in the study is \$10,000.

Economic Research

The California Office of Tourism, as directed within the California Tourism Policy Act (1984), compiles economic research to document the relative growth or decline of travel spending, employment, payroll and state and local tax revenues, including reliable county-by-county impact data. To this end, the following reports were compiled.

California Travel: Its Economic Impact - Annual report on statewide impacts by type of spending and type of trip was prepared by the Trade and Commerce Office of Economic Research and published in November 1992.

California Travel Impacts by County - A report has been completed by Dean Runyan Associates for publication in April 1993 which estimates job creation, payroll and tax receipts generated by visitor expenditures for each California county.

Budget: DOT \$43,000

Evaluation

Unlike tourism companies which have front desks, entrance gates and other means of directly relating revenue or business activity to their marketing programs, the DOT is unable to reliably attribute its marketing efforts to the overall growth in travel spending or employment within California.

Too many factors, out of the control of the DOT, affect the overall growth or decline of travel spending and employment within California to accurately pinpoint what effect the State tourism marketing program has had. For example, a DOT program could be very effective, yet travel spending in the State could decline because of a major earthquake. Or, a sudden burst in travel spending and employment within the State may have occurred more from the opening of a major new attraction than from the promotional efforts of the DOT. This is why the DOT does not claim increases or declines in travel spending or employment which it cannot directly attribute to its activities.

The approach taken by the DOT instead is to individually assess the effectiveness of each element within the program. Within the DOT marketing plan, each program element has specific objectives and methods by which it is evaluated. Evaluation methods used by staff are described in the plan and are tailored to each activity and its intended benefit. Informal staff evaluations of each program and activity are submitted to the Director of Tourism on an ongoing basis. Program evaluation and critique is a routine part of every meeting of the CTC and its numerous advisory committees.

Virtually all DOT marketing activities are regularly assessed as to their effectiveness by one or more of the following methods:

- Ratio of non-state to state dollars leveraged to achieve objectives defined in the annual marketing plan
- Number of contacts made at trade shows and sales missions
- Number of requests fulfilled for consumer and trade media
- Number, variety, quality and audience of articles published as a result of media assistance

- Number of private sector organizations participating in DOT-initiated promotions

Summaries of staff evaluations and various measures of intermediary program objectives (i.e., media coverage received, number of participants in state-sponsored promotions, dollar value of cooperative funding generated by the private sector, etc.) are provided throughout this report.

An area where more rigorous evaluation is sought is travel trade development. In 1992/93, travel trade activities such as trade shows, sales missions, fam tours, and seminars accounted for approximately 10 percent of the DOT marketing budget. The prevalent methods in the travel and tourism industry for assessing these kinds of programs are: surveys of participant satisfaction; tabulations of the number of trade contacts made at trade shows, etc.; and the number of hotel or attraction bookings made during or resulting from the promotional event. The latter is not available to the DOT, since it does not directly handle bookings and it has been difficult if not impossible to reliably obtain such figures from travel trade participants.

Likewise, after a meeting with a tour operator at a trade show, it may take months or years before travelers visit California and there is little way to know if the meeting was the cause of their traveling to California. The DOT is concerned that the present methods of measuring the benefit of participating in trade shows and sales missions are not precise, and it is seeking a better way to quantify their benefit in the program, next year.

Despite the unsure measurability of state involvement in sales missions and trade shows, it is clear that states that do not promote themselves through such sales efforts are not as successful in developing tourism, as those that do. States which have increased their budgets over time (10-year period), and are therefore more aggressive in such marketing efforts, have likewise increased their share of total travel spending 3.5 percent on average, while states which were less aggressive lost a 5 percent share.¹¹

The DOT involves numerous advisory committees in the planning of its marketing, rural, international and domestic travel trade, and research activities. The members of these advisory committees represent the brightest and most respected tourism marketing professionals in California from small and large companies, in urban and rural areas. The DOT presents drafted recommendations to members of these committees who offer their advice. The resulting plans are brought to the CTC for final review and ultimate approval. Through this process, elements of the DOT program are evaluated for appropriateness and potential effectiveness, before they are ever conducted, by the finest tourism marketers in California.

In addition to pre-evaluation by industry committees and post-evaluation by staff, several of the DOT's programs incorporate reporting and evaluation provisions into contractual

¹¹Journal of Travel Research, John D. Hunt, Business Research Division, University of Colorado, Boulder, Winter 1990.

agreements with the State's contractors or cooperative partners. An example is the Fun Spots promotion in which monthly computerized summaries of visitor traffic generated by the promotion are tabulated by Garber and Associates, the State's marketing contractor.

Two formal studies are presently being conducted by outside consultants on programs which, combined, account for 60 percent of the DOT marketing budget.

Literature/Fulfillment Study - A cost-benefit evaluation of the State's literature and fulfillment program is now in progress. This is being performed by San Francisco State University and results are anticipated in late April 1993. The study will analyze the net benefit to the State of persons who received state travel literature in 1992 compared to a control group not receiving literature.

Pre and Post Advertising Study - A rigorous evaluation of the State's advertising campaign is also in progress. Garber and Associates has subcontracted with an independent research firm to measure the effectiveness of the State's advertising program which is conducted by Livingston & Keye. This assures that the advertising agency is not evaluating its own advertising.

Pre and post studies are conducted in advertised and non-advertised markets. The studies measure the impact of state tourism advertising by contrasting the difference in intent to travel to California between the advertised and unadvertised markets. In a later phase, actual travel to California will be measured and compared. This method of evaluating the State's advertising is a new approach which will take time to validate. One concern is that it may cost too much to sample a population large enough to establish a significant enough statistical difference between advertised and unadvertised markets.

Budget:	DOT	\$77,000
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Technical Assistance and Clearinghouse

The DOT research program responds to approximately six to twelve verbal and written requests for statistical data each day. These inquiries vary from assisting destinations and businesses in locating tourism data, to applying appropriate research methodologies, to interpreting trends and conditions, to assisting in developing new studies, to providing statistics on metro/suburban travelers and "points of origin" for California's rural regions, to developing fresh research supportive of economic development opportunities for California. The information provided is not available in any other single location within California and is essential to California's remaining competitive in attracting tourism economic investment and expansion.

For example, the DOT contributed in the previous year to a study of the feasibility of locating family attractions in the San Diego region. As a result of this study, Lego, the manufacturer of children's learning blocks, was influenced to select Carlsbad, north of San Diego, as one of two finalist locations for the placement of its new North American family theme park, Lego World.

Research Newsletter

To communicate research to a broader audience of California tourism companies and destinations, a quarterly tourism research newsletter is being developed, with the first issue scheduled for late Spring 1993. This newsletter will contain research findings, excerpts from research journals, trends to watch, and feature articles on topics relating to domestic and international research methodology and findings to assist them in better promoting travel to California.

Budget: DOT \$20,000

Program Evaluation and Support

The DOT research desk also provides state offices and the legislature with relevant statistics and information, assists with presentations, responds to media requests for statistical material, prepares reports and internal evaluations, and prepares speech points, charts, slides, and background data on various tourism topics and issues.

Fulfillment and Collateral

Fulfillment

One of the most fundamental responsibilities of the DOT is to provide tourism information to travelers interested in visiting the State.

Fulfillment Services/800 Line

Objective: To respond to visitor inquiries for California travel information.

Description: In 1992, the DOT distributed 186,000 packets of travel information in response to phone and mail inquiries and 100,000 packets through USTTA offices, tourist information offices throughout the State and trade shows and sales missions and bulk orders to the travel trade. This includes visitor guides, travel trade guides, maps, rural regional brochures, adventures guides, accommodations guides, calendars of events, Ski California magazines, and the State Parks' *California Escapes* magazine.

DPAS, a California-based company, was awarded the 1992/93 contract for fulfillment of the State's collateral materials, and it began responding to phone inquiries in December. Calls come into San Francisco on a toll-free (800 Line) where orders are taken for promotional materials. The contract specifies that all information packets must be placed in the mail within three days of the request. Packages are normally sent fourth-class bulk mail and arrive from three to six weeks after being requested. Callers may request speedier delivery by First-Class mail (within in a week) at no additional cost or by overnight delivery at their own expense.

Measurement: Each written or called-in request is entered into a data base. Monthly reports are generated and back-up files are kept for research.

Budget:	DOT	\$394,155
Postage:	DOT	\$300,000
Envelopes:	DOT	\$10,000
Mail:	DOT	\$2,100

Collateral

Golden California Publications

This past year, the DOT determined that it would about to reduce the cost of producing materials provided to visitors, while increasing the quality and availability of such materials. T&C issued a Request for Proposal (RFP) to find a contractor who would publish the State's visitor guide, travel trade guide and welcome magazine at no cost to the State. Previously, the visitor guide and travel trade guide cost the DOT \$150,000 per year to produce. The Department of Food and Agriculture received \$30,000 from its welcome magazine.

The winning bidder, MH West, will pay the State \$40,000 in the first year of the contract to publish three publications: *Golden California Visitor's Guide*, *Golden California Travel Planner's Guide*, and *Golden California Magazine*. By the end of the two additional renewable years on the contract, the State will have received \$200,000 in revenues from the three publications. This approach not only brings new revenue to California, but also allows the DOT to reallocate \$450,000 over the next three years to other promotional activities. The DOT accomplished this through the conversion of several publications from state-financed to advertising-financed publications.

An additional revenue opportunity has been provided to the State of California recently by MH West. It has entered into an agreement with an advertiser who will produce a catalog of California merchandise (apparel, agricultural products, and memorabilia) to be inserted in the visitor guide and quarterly magazine. The T&C Marketing Fund will receive 10 percent of gross revenues from sales of merchandise in the catalog. Projected revenues may vary from \$20,000 per year and up.

Budget:	1992/93 Projected State Revenue:	\$40,000
	1993/94 Projected State Revenue:	\$70,000
	1994/95 Projected State Revenue:	\$90,000

Discover The Californias/Golden California Visitor Guide

Objective: To provide travelers with a comprehensive guide to visiting California which helps extend the length of stay and encourages visitation of both primary and lesser-known and underutilized destinations. To provide California's travel industry with a medium in which it can promote its services to travelers interested in visiting California.

Description: The annual California visitor guide is a comprehensive publication featuring detailed editorial on each region of California. It includes visitor information sources, points of interest and regional maps. The 1992/93 edition is titled *Discover The Californias*. In the future, this will be replaced by the *Golden California Visitor Guide*.

Measurement: 500,000 copies are distributed annually, approximately 200,000 through direct visitor inquiry and the balance through USTTA offices, the travel trade, tourist information offices throughout the State, trade and consumer shows and other such media.

Budget:	DOT	No Cost
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California Travel Planning Guide/Golden California Travel Planner's Guide

Objective: To provide the domestic and international travel trade a comprehensive reference book to assist them in better selling their clients on all the attractions of the State.

Description: This 200-page guide, designed specifically for the travel trade, provides information on the 12 tourism regions of California, lists ground tour operators, accommodations, agent commissions and group rates, suggested tour itineraries and

visitor information sources. For the past several years, the DOT has purchased the guide from the magazine's publisher, MH West. Because of its popularity, circulatory demands have increased, causing the DOT to purchase larger amounts of the guide. The DOT recognized that this publication had the potential to be a revenue-producer rather than a cost, so it included the guide in the Publications RFP. The 1993 edition will be produced at no cost to the State.

Measurement: A total of 75,000 copies of the annual travel planning guide were printed by the publisher MH West for distribution in 1992. More than 35,000 copies were distributed by the publisher to all ARC-approved travel agencies in the U.S. and Canada and U.S.-based tour operators and bus companies. The remaining 40,000 copies were purchased by the DOT to fill requests received throughout the year and to distribute at sales missions and travel trade shows in 1992.

Budget:	DOT	No Cost
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California Map

Objective: The most single requested item of travelers planning their trips to California is a road map. This map provides essential guidance on how to get around the State and includes special information of interest to tourists.

Description: In cooperation with the Department of Transportation, the DOT successfully applied for Federal Intermodal Surface Transportation Efficiency Act (ISTEA) funding to produce a special, four-color traveler map which would identify intermodal means of visiting California, including rail, bus, sea and air terminals, scenic highways and byways and wildlife viewing areas. The map was produced in cooperation with Thomas Bros. Maps, a minority-owned map producer based in California. In addition to the aforementioned elements, the map identifies driving distances between cities, city locations, major attractions, California Indian reservations, climate and road conditions, California motorist regulations, State and National Parks, significant BLM recreational areas, ski areas and driving tours of each of the 12 tourism regions of the State.

In addition to the map, Thomas Bros. produced a custom cover for its California Road Atlases to match the map cover and will provide the DOT with 2,500 atlases to be distributed to travel agents and tour operators to promote California.

Measurement: The map, to be delivered in April, will be distributed to 450,000 travelers.

Budget:	DOT	\$120,000
	Federal grant	\$120,000

Rural Brochures

Objective: Provide rural regions with handouts which can be used to promote their area at consumer and travel trade shows.

Description: Participants in rural tourism marketing programs need promotional materials which identify the regions and stimulate interest in and travel to these areas. A series of eight colorful brochures, featuring each of the rural regions, were produced in 1991; 100,000 copies of each were printed. These brochures were distributed throughout 1992 by both the tourism regions and the DOT.

Measurement: Because of the high demand for these brochures by the rural regions, it is expected that stock will be depleted by July 1993. A new expanded brochure will be designed and printed in FY 1993/94 for use by the regions.

Budget: Not Budgeted - to be redesigned and printed again in 1993/94

Adventures Guide

Objective: To inform consumers about the exciting activities the "California Countryside" has to offer. To encourage visitation of California's lesser-known and underutilized destinations.

Description: Visitors inquiring about California have repeatedly asked for a guide to outdoor adventures: fishing, boating, rock climbing, hiking, camping, horseback riding, rafting, ocean kayaking, water skiing, sail planing, hot air ballooning, etc.

Two years ago, the State published, in cooperation with the *Los Angeles Daily News*, the *California Adventures Guide*. In 1992, the *Orange County Register* produced the guide and conducted an associated Adventures Expo at Lion Country Safari, in Orange County, to better promote the guide and California's adventure activities.

Measurement: 720,000 copies of the advertising-supported guide were printed and distributed: 450,000 were inserted directly into the Sunday, May 10, 1992, edition of the *Orange County Register*; an additional 20,000 copies were distributed at the May 16-17 Adventure Expo. The remaining copies were provided to the DOT at no charge to distribute through its fulfillment house for the remainder of FY 1992/93.

Budget:	DOT	No Cost
	Cooperative partner	\$300,000

Bed and Breakfast Inns Guide

Objective: To inform in-state and domestic visitors about the variety of Bed & Breakfast Inns located throughout California and stimulate visitation to lesser-known and underutilized destinations in California.

Description: The *California Bed & Breakfast Inns* guide provides a comprehensive listing of Bed & Breakfast Inns located throughout the State. The DOT currently distributes 100,000 copies of this 72-page guide, complete with graphics and a four-color insert. The guide is published by *Yellow Brick Road*, at no cost to the State, with editorial support provided by the DOT.

Measurement: One hundred thousand copies of the 1992 edition were produced and distributed. Costs for publishing the guide were borne by advertisers, through listing fees and

co-op sponsors, such as American Express and the California Association of Bed and Breakfast Innkeepers.

Budget:	DOT	No Cost
	Cooperative partner	\$50,000

Accommodations Guide

Objective: To provide travelers with a comprehensive lodging guide to assist them in making informed decisions about where to stay. To assist California's lodging industry by distributing information about hotels and motels to prospective visitors.

Description: At no cost to the State, the California Hotel & Motel Association (CH&MA, which represents larger-sized hotels and motels), publishes an annual guide to California accommodations. This guide identifies accommodations located in various cities and regions throughout California and provides basic information such as: address, phone number, price range, amenities, services, etc.

A similar offer has been made to the California Lodging Industry Association (CLIA), which represents the smaller-sized owner/operated hotels and motels. The CLIA guides are expected to be delivered this Spring.

Measurement: 200,000 of each guide is distributed through the DOT's fulfillment program.

Budget:	DOT	No Cost
	Cooperative partner	\$50,000

Calendar of Events

Objective: To inform travelers of the diversity of special events and festivals which occur throughout California for the purpose of lengthening stay and to encourage visitation to lesser-known and underutilized destinations within the State.

Description: In 1992, the *Calendar of Events* was combined with the *Ethnic Calendar* for the purpose of reducing cost and duplication and increasing exposure and consumer interest in ethnic events. The resulting product was a high-quality, 30-page guide listing more than 600 of California's special events and ethnic festivities. In 1993, the *Calendar of Events* was further expanded, by the addition of numerous arts events throughout California, increasing the number of listings to more than 1,000. The DOT's goal is to get this publication converted to an advertising-supported publication which would eliminate cost to produce it.

Measurement: 300,000 calendars are disseminated each year, through visitor requests, ethnic newspapers and consumer and trade shows.

Budget:	DOT	\$90,000
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In-State/Rural Program

As stated in the Marketing Strategy: inside California, the DOT promotes travel to lesser-known or underutilized destinations. This generally includes the eight regions identified as rural regions: North Coast, Shasta-Cascade, High Sierra, Gold Country, Central Valley, Central Coast, Inland Empire and Deserts.

A Rural Marketing Advisory Committee, comprised of eight voting members (one from each rural region) and elected by chambers of commerce and convention and visitor bureaus advises the DOT and CTC as to what programs will best promote travel into rural California. This committee meets four times per year, twice with the general marketing advisory committee.

Additionally, an interagency committee, comprised of representatives from the DOT, the Rural Marketing Advisory Committee, California Arts Council, California Film Commission, State Parks Service, U.S. Forest Service, National Parks Service, State Fish and Game, Bureau of Land Management, and CALTRANS meet regularly at the invitation of the DOT, to discuss means of improving tourism opportunities in rural California.

Region Specific Marketing

Regional Marketing Programs

Objective: When the State established tourism regions, it provided increased opportunities for tourism entities within the new regions to promote collectively, but it also placed increased costs upon the tourism marketing organizations within these regions for region-wide promotional activities. To offset these costs, the DOT has provided sole-source contracts to the regional promotional organizations for region-directed marketing activities. This softens the burden of region-wide marketing.

Description: In 1991/92, the State provided \$9,000 per region; in 1992/93, \$9,500 per region was budgeted. These funds are allocated to region-wide promotion and are granted only to the eight rural regions, in the spirit of the mandate within the California Tourism Policy Act of 1984. Each elected regional representative is given guidelines as to how the funds may be expended; eg. region-wide brochure development, regional attendance at state-sponsored sales missions, trade shows, publicity development, advertising, etc.

Measurement: The DOT closely monitors how and where the funds will be used. The rural regional representatives are given latitude in defining what's best for their region, but scrutiny is given by the DOT to assure that redundant or ineffective promotional activities are not conducted and that the funds are truly spent on promotional activities that benefit the entire region.

Budget: DOT \$76,000

In-State Advertising

California Countryside Getaways

Objective: To stimulate interest of Californians in visiting lesser-known and underutilized areas of California by informing them of the diverse special events and attractions to be discovered in California's Countryside.

Description: Beginning in October of 1992, 60-second radio features, produced by AMI News, were provided to participating radio stations throughout the State. The radio features ran for 13 weeks (through December) and identified community events and recreational activities taking place in the rural regions of the State. The spots were produced in a news format and ran as news features. Each spot concluded with the DOT's "800" telephone number to call for a visitor packet.

Measurement: Thirty-three radio stations, including ones in Sacramento, San Diego, Riverside and Fresno, subscribed to the news feature service. Each station received four 60-second reports per week, tailored to their geographic market reach. The Lake Arrowhead Chamber of Commerce reported that a significant number of attendees at their Oktoberfest said they heard of the event on the California Countryside Getaway radio feature. Lake Arrowhead credited this program with helping to offset the negative effect of a series of earthquakes that had otherwise severely reduced tourism in the region. The Rural Marketing Advisory Committee was very enthusiastic about the program.

Because of its initial success, California Countryside Getaways has been expanded into a year-long program, beginning March 1, 1993. Thirty-four stations are now broadcasting the second-year program, including stations with enormous audiences in Los Angeles, Anaheim and San Francisco.

Budget: DOT \$90,000

In-State Co-op Promotions

Ski California

Objective: To promote California's 38 major ski areas by communicating California skiing as world class, both internationally and domestically, and by providing incentives to keep California skiers on California ski slopes.

Description: During the past seven years, this program, begun as an in-state promotion, has grown from a modest \$60,000 brochure into a \$2.5 million annual television and promotional campaign, conducted in a successful partnership with Chrysler Jeep Eagle and the California Ski Industry Association's 38 resorts.

This year's campaign extended the reach of the promotion to include key domestic and international markets. Targeted markets for the 1992/93 Winter campaign, which began in November 1992, included Chicago, Dallas, Los Angeles, San Francisco, United Kingdom, Australia, New Zealand, Mexico and South America. The campaign included cooperative advertising, participation in selected ski industry trade shows and travel sales missions, familiarization tours, development of collateral materials and other publicity-related activities.

Measurement: While the ski season is still ongoing and the results will not be tabulated until later, it is clear that the Ski California cooperative program has generated solid returns to California. Richard Branson, chairman of Virgin Atlantic Airlines, has lauded the Ski California campaign. In his address before the California Conference on Tourism, he cited the Ski California cooperative promotion. The DOT contributed \$25,000 to this single promotion and Virgin contributed \$50,000 in a print campaign that generated 3,200 visitors. The average stay for these visitors was 10 days with a daily average expenditure of \$200, resulting in \$6,400,000 in new travel spending in California from this element of the Ski California promotion.

More than 180,000 copies of Ski California magazine were distributed at major consumer events in London, New York, Chicago, Dallas, Los Angeles and San Francisco. The 30-page, full-color publication also was distributed at ski shops throughout California.

In March, the DOT participated in welcoming 169 ski journalists at Lake Tahoe during the North American Ski Journalists Association annual convention, a record number, including such greats as Rick Kahl, Editor of *Skiing*, Lee Carlson, Senior Travel Editor of *Skiing*; Lois Friedland, Clare Walters and Claudia Carbone, top freelance writers who regularly appear in *The New York Times*, *Skiing*, *Ski*, *Snow Country*, *Chicago Tribune*, *USA Today* and numerous other national magazines. Approximately 48 percent of the attendees had not been to Lake Tahoe in over five years. The DOT presented its video, "California Through The Eyes of Hollywood," to a standing ovation from the assembled writers and broadcasters, and they were able to experience California skiing at its best. The California Ski Industries Association (CSIA) predicts "an avalanche of articles and media coverage" about California skiing from the event.

The DOT is a partner with the CSIA, United Airlines and the *Sunday Times* of London in producing two, hour-long instructional videos which feature California skiing for the British market. The videos will be marketed by the *Sunday Times* as an educational tool, formatted for British television, and finally used as promotional pieces on United flights between London and California. Total cost of the program is more than \$400,000, though the State's involvement is \$35,000.

In December, an 800 California Ski Phone was established to report daily updates of California ski conditions. The cost of this line is underwritten by CSIA, though state co-op funds used in advertising support of consumer shows in New York, Chicago, Los Angeles and San Francisco mentioned this new phone service. To date, more than 25,000 calls have been logged by interested travelers.

Budget:	DOT	\$205,000
	Cooperative partner	\$728,000

See The California Countryside

Objective: To increase year-round and repeat visitation to the California Countryside by residents in California's major metropolitan areas, the DOT has begun work on a major

statewide consumer promotion to be called, "See the California Countryside." It will be launched in Spring 1993 and will feature California's eight rural regions via seven California cable channels. A minimum of 1.4 million households are targeted in California's key metropolitan areas.

Description: The promotion includes 250,000 discount coupon booklets listing lodging, restaurants, attractions and activities that offer a 20 percent discount or "Two for One." Seven sweepstakes prizes per region (56 total) of two night/three day travel packages, coordinated by the State's regional representatives in the cooperative promotion. The California Countryside promotion will be promoted by participating cable stations via TV spot ads, viewer guide magazine ads, direct mail pieces and bill stuffers to cable TV subscribers.

Measurement: Planning and solicitation of sponsors for this major in-state promotion started in 1992; however, the six-week promotion will begin in June 1993. The success of the program will be measured by the number of coupon booklets distributed, number of coupons redeemed and measured increase in business for the cable TV operators, when the special promotion ends in mid-July 1993.

Budget:	DOT	\$90,000
	California industry	\$50,000
	Cooperative partner	\$600,000

California Countryside Festival and Handmade in the Gold Country Festival

Objective: In cooperation with the California Arts Council, the DOT has brought together Arts Councils and Tourism Councils from the Central Valley and Gold Country regions to produce two, separate, region-wide arts events. These events will offer repetitive reasons for California residents to travel to two lesser-known areas -- Gold Country and Central Valley regions -- to experience arts events in these regions, while promoting cultural activity of benefit to local residents and stimulating in-state travel in off-season or shoulder periods of visitation.

Description: The program is a three-year effort to demonstrate the viability of region-wide state-influenced arts and tourism promotional events in rural areas. In the first year, the California Arts Council is underwriting regional arts brochures listing arts and crafts, cultural and historical events for the test regions. These brochures will be distributed via publicity and by local and state media to urban residents of California. The second year will feature a six-week-long festival, highlighting arts and crafts, culture and history of each of the two regions. The third year's goal is to determine if the event can be permanently established and, if so, to expand and promote the new festivals on a broader basis. The DOT's marketing agency, Garber and Associates, is coordinating the solicitation of sponsorship for the regional arts events.

Measurement: Success of the special events brochure will be measured by how many copies are distributed to consumers and number of co-op sponsors. Success of the new festivals will be measured by attendance figures, revenues generated, redemption rate of discount coupons, media coverage of the events and financial support by private co-op sponsors. The sums of \$20,000 have been allocated for the Central Valley festival and \$10,000 for the Gold Country

festival. The California Arts Council has allocated an additional \$30,000 for brochures and has set aside additional funds to underwrite the costs of events coordinators. Economic return to the communities and state is predicted to be many times the investment.

Budget:	DOT	\$30,000
	California Arts Council	\$30,000
	California industry	\$30,000
	Cooperative partner	\$90,000

Domestic Program

The domestic program includes marketing activities conducted outside California, but within Northern America.

Domestic Advertising

Domestic Advertising Program

Objective: To motivate travel to California from other locations in North America.

Description: In 1992, the DOT conducted extensive consumer research for the first time since 1985. This research was the basis upon which an advertising strategy was developed. The strategy is to target repeat visitors from western states, more than 35 years old with household incomes of \$50,000 and up. These consumers like traveling to California, are not intimidated by recent negative reports about the State and are the most likely to visit California. They require little motivation to return... just to be reminded how much they like California and to be given a few new reasons to visit again.

Livingston & Keye, the DOT's advertising agency, developed an innovative ad campaign that began being aired on spot television in eight western markets (Vancouver, B.C.; Calgary, Alberta; Seattle, Portland, Salt Lake City, Denver, Dallas and Phoenix). Twenty-two high-quality commercials, containing 88 different messages about California, were produced for only \$250,000. Typically, a single commercial costs \$150,000 or more. The spots could be produced for so little because they were all shot in a studio and involved no talent fees.

The commercials are unique among tourism advertisements. This allows them to "break through the clutter" of evening television and grab attention. Essentially, they contrast the mundane activities of everyday life (sitting in a boring meeting, waiting in a lobby, purchasing groceries, sorting through mail) with the exciting things tourists are doing in California and then end with the statement, "California." and the question, "What are you doing?"

Supporting the television commercials are print advertisements which appear in newspapers to reinforce the television message.

The media buys were so successful that, on a budget predicted to purchase only 1,400 target rating points (TRPs) of television, the DOT has been able to acquire 2,400 TRPs of media. One tourism marketing executive from San Diego likened the schedule to carpet bombing the markets with commercials. Considering that California has not conducted television advertising in any meaningful level since 1988, the approach is vital to stopping decline of leisure travel share from the advertised markets.

Measurement: As discussed in the Research and Evaluation section of this report, pre and post advertising studies are being conducted to measure the effectiveness of the advertising and determine difference in awareness of advertised messages and intent to travel to

California between advertised and unadvertised markets. The results of these studies will not be available until July 1993.

Budget:	DOT	\$3,000,000
	California industry	\$1,000,000

Special Newspaper Section

Objective: To stimulate consumer interest in traveling to California.

Description: Complementing the advertising campaign, the DOT directed its marketing agency, Garber and Associates, to develop a series of four-color newspaper advertising special sections on California which will appear in Sunday newspapers in four western markets. The advertising supplements were sold out to California travel industry advertisers, two weeks prior to the advertising deadline.

Measurement: To be tracked by fulfillment response.

Budget:	DOT	\$75,000
	California industry	\$118,670
	Estimated media value	\$512,000

Creative Theme Development

Objective: The tourism industry has generally agreed that the theme "Discover The Californias," used by the DOT since 1985, should be changed. "Discover The Californias" was originally conceived to communicate the diversity of California, but ended up confusing many as to what were "The Californias," particularly outside California. In several advisory committee and CTC meetings, the DOT was asked to develop a new marketing theme for California.

Description: Lacking an advertising budget to establish a new theme and having to put the DOT's advertising contract out to bid, the DOT did not have an easy means of developing a new theme. The decision was made to downplay the theme "Discover The Californias" by using "Discover California" for the remainder of the year, but then an opportunity was presented to the DOT to develop a new theme.

The Walt Disney Company offered to lend the talents of its creative team to develop a new theme for California at no cost to the State, saving the DOT and T&C upwards of \$100,000 in creative development fees, should it hire a similar team to develop a new theme.

In order to obtain an industry-wide consensus on the new theme, a creative theme committee was developed. Included on the committee were representatives of Great Western Financial Corporation, The Century Council, San Francisco Convention and Visitors Bureau, Avis, MCA Inc./Universal Studios Hollywood, UCLA School of Design, Disney and from T&C.

Recently concluded research was provided the creative team, and developed into literally hundreds of executions. We discussed the obvious difficulty in expressing what California is in one phrase. California is not a homogenous destination. You know what to think of Hawaii (tropical beaches), Colorado (snowy mountains), New York (cosmopolitan city), Alaska (wilderness), Arizona (desert resorts), Florida (sun and fun) but what is California?

The answer and the theme selected is: "CA IS U!"

"California is you!" expresses what California is... a place where Hawaii, Colorado, New York, Alaska, Arizona and Florida and many other travel experiences are rolled up into one destination.

U see, California is U! It is whatever U want from a travel destination. If U like fun and sun, California is U. If U want wildlife and wilderness, California is U. If U want cosmopolitan cities with great restaurants, night life and museums, California is U. Yes, CA IS U!

The line has strong merchandising possibilities which can be of benefit to the State, resulting in revenue from sales of CA IS U! licensed merchandise, as well.

Measurement: Even though the DOT thinks the line can work for California, it intends to test it, first. It will be put to the test in an advertising agency RFP process to be conducted this Spring and it will be tested by our next agency before it is included in advertising. Only after it has been demonstrated that the line works will it be used as the theme for the State.

Budget:	DOT	No cost
	California industry	\$50,000

Discover America '92

Objective: To showcase to primarily an out-of-state audience the diversity of vacation opportunities available throughout California, at low cost. To utilize the production of a television advertorial as a five-minute educational/promotional video for use by the DOT and the travel industry in presentations. To generate travel inquiries to California from travelers.

Description: The DOT participated as a sponsor of Discover America '92, a nationally televised program which included a five-minute segment on California travel. The program aired on The Travel Channel twice with further distribution to occur on TBS, USA Network, Art & Entertainment, The Family Channel and various international distribution channels.

Measurement: Audience reached for investment is extraordinary, particularly considering the low cost of production and that the State receives promotional use of the finished video. Results are being tabulated on 800 calls received by the DOT's fulfillment company.

Budget:	DOT	\$14,000
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Estimated media value \$150,000

Arizona Yellow Pages

Objective: To complement the California Destination Marketing Organizations' (DMOs are local tourism marketing organizations, such as convention and visitors bureaus or chambers of commerce) and attractions' efforts in reaching the Arizona market (the largest source of out-of-state visitors to California), create interest among Phoenecians about the variety of travel options in California, remind Phoenecians that California has many affordable escapes, close to home and generate 800 number inquiries which allow California to put sales material in their homes.

Description: *Direct Destinations*, to be inserted behind the cover of the *Phoenix Yellow Pages*, offered the DOT free editorial space in exchange for a DOT endorsement of the publication. The four-color, high-gloss publication was inserted in 1.2 million households in the Phoenix metropolitan area.

Measurement: Results will be tabulated through calls to the State's 800 number at the end of 1993.

Budget: DOT No Cost

Newsletters

Insights is a quarterly publication of the DOT, distributed to the California travel industry. It provides information about marketing programs and opportunities which these organizations can avail themselves.

Objective: To increase participation in state-sponsored or organized marketing programs by California's travel industry and to communicate tourism research and marketing findings in order to better hone California tourism competitiveness.

Measurement: As a result of the publication, increased demand for information about the State's sales missions, trade shows, marketing, public relations, and advertising program has occurred. A high number of requests have been received to be placed on the publication's mailing list. Success of the publication will be measured by annual reader response cards to be included in the publication.

Budget: DOT \$22,000

Domestic Co-op Promotions

Much of the past success of the Domestic Marketing Program has been through the development of cooperative marketing. Various partnerships between the private and public sector allowed the State to leverage the marketing and advertising budget to the greatest degree possible.

California Fun Spots

Objective: To conduct a national consumer promotion targeted at increasing interest in visiting California, reach markets which the State could not otherwise afford to reach, unify California's attractions in a collective effort to promote travel to California, utilize the investment of other partners to expand visibility for California in print and electronic media, offer an alluring package which encourages lengthened stay by people traveling to California, utilize the enticement of California's major attractions as a means of getting support from an airline and dramatically showcase family destinations not otherwise found in a collective advertising effort.

Description: The Fun Spots is a cooperative marketing team comprised of eight of California's most popular attractions: Disneyland, Knott's Berry Farm, Marine World Africa USA, Monterey Bay Aquarium, San Diego Zoo, San Diego Wild Animal Park and Universal Studios Hollywood.

Two programs were conducted by The Fun Spots in 1992: a coupon discount program within the State's official consumer guide; and a "Fun Spots For Free" promotion conducted with Delta Airlines, in which passengers booking a California vacation of five nights or more receive free admission to all participating attractions. Delta paid for the attraction tickets at a much reduced cost in return for agreeing not to increase the price of the fare to account for the cost.

Measurement: The number of tickets sold has historically been the method of measurement. In 1992, the effect of airline discounting price wars destroyed the market for pre-sold packages and severely disrupted this promotion; total packages sold were off 56 percent over 1991 with only 4,868 packages sold. Consumers found that they could buy domestic trips on their own more cheaply than in buying a retail vacation package and took advantage of the opportunity.

Despite the downturn of total Fun Spots package sales, the DOT and its attractions partners are not disheartened. The campaign can still be deemed a success in that a highly competitive group of attractions came together on this promotion and they intend to stay together in partnership with the State. As such, refinements on the program are planned for FY 1993/94. The Fun Spots will not be discarded, but reassembled into another form. In addition, the \$1.5 million in co-op advertising dollars provided by Delta Airlines has provided California with exposure in far-flung markets, which it would not otherwise have had.

Budget:	DOT	\$180,000
	California industry	\$200,000
	Cooperative partner	\$330,000

Domestic Trade Development

Domestic Sales Missions

Objective: To provide a California umbrella under which suppliers and DMOs can gain heightened attention for themselves while participating in domestic sales missions/trade shows; to provide lesser-known and underutilized destinations with the opportunity to gain exposure within the trade and among consumers in Texas.

Description: The DOT coordinated a sales mission to the American Airlines FlyAway Vacations trade and consumer show in Dallas. Under the umbrella of the State of California, lesser-known destinations gained increased visibility in the Texas market and were able to influence travel agents and tour operators throughout Texas. A second sales mission was planned for the midwest, but could not be executed because an airline was unable to support it.

Measurement: Approximately 5,000 pieces of California promotional literature were distributed during the two-plus days in Dallas, up 30 percent from the prior year. Rural DMOs expressed appreciation and asked the State to add other such national missions.

Budget: DOT \$5,000

National Tour Association (NTA) Promotion

Objective: To stimulate interest and increased awareness among influential NTA tour operators of California's urban and rural tour destinations.

Description: The DOT brings together California tourism businesses and destinations in several efforts aimed at improving tour operator knowledge of, access to and interest in California as a destination for organized group tours.

A California directory of NTA members is published and distributed to tour operators to assist these operators in contacting California representatives.

NTA tour operators are told that California offers personalized fam tours all year long, to help them learn about new places to take their group tours.

A reception, sponsored by California businesses and destinations, is coordinated by the DOT at NTA's Spring Tour & Travel Exchange and at the NTA Leadership Luncheon.

The DOT also coordinates a contest sponsored by visitor bureaus, hoteliers, car rental agencies, airlines and attractions for California vacation giveaways awarded at the NTA annual convention.

And, special educational and promotional materials that enhance the State's appeal are made available to NTA members at the annual conference.

Measurement: California's leadership on this committee has resulted in increased exposure for the State among tour operators. An extremely high number of entries was received for the vacation giveaway program at NTA, with 209 tour operators participating, a 41 percent penetration of a key audience.

Budget: DOT \$5,000
California industry \$15,000

Trade Show Booth

Objective: To present a polished and decidedly "California" image at trade shows and in sales venues, for the purpose of representing the State distinctively and to attract attention.

Description: The DOT designed a new trade show logotype utilizing letters which by their shape indicate the geography, scenery and activities of California. This booth is an uncomplicated, durable design that is versatile to various sales show conditions.

Measurement: Reaction to the booth at trade shows to date has been very positive. The logo design has been utilized as a distinctive mark for the DOT in international and domestic sales missions, as well.

Budget:	DOT	\$15,000
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International Program

During the period of January 1, 1992 through June 30, 1993, the DOT's International Program will have implemented promotional programs in the following key markets:

- Japan
- Asia (Korea, Hong Kong, Taiwan)
- Canada
- Australia/New Zealand
- Europe (United Kingdom, Germany)
- Mexico
- South America

The DOT's main force is to educate the travel trade and media using a variety of promotional activities to accomplish these goals.

- Familiarization Tours
- Sales Missions
- Trade Show Attendance
- Special Promotions
- Educational Seminars

Primary marketing activities directed by the DOT typically reflect the needs of members of an advisory committee which is composed of key members in California's travel industry. Representatives from major cities' convention and visitors bureaus, key attractions, rural regions, etc., meet approximately once per quarter to discuss activities and priority markets that are desired to be pursued.

Familiarization tours have proven to be very effective in showcasing a destination or product as buyers experience first-hand what is available. These generally receive enthusiastic support from the industry and tend to be developed during the year, not scheduled as part of the annual marketing plan.

Sales missions are California's only programs targeted at specific markets and vary in amount of participant support depending on cost and market. Designed to be "break even" programs, the DOT generally subsidizes these to some extent in order to encourage participation. The industry has emphatically stated that the State's leadership and support of these programs is essential, because impact is maximized through the use of an "umbrella" approach and to obtain maximum participation. Without state financial support, these programs would be financially prohibitive for the industry, especially for lesser-known and underutilized destinations, hotels and attractions.

Trade show attendance occurs when an exhibition is organized by another agency, such as the United States Travel and Tourism Administration, in which the DOT and possibly other members of the California industry participate.

Special promotions occur in specialized markets and are generally directed at the trade and/or the consumer.

Educational seminars are normally coordinated by a separate agency and involve multi-state/destination presentations.

All of the above play an important role in the DOT's overall marketing approach.

Of the nearly 11 million international visitors to the United States each year, California receives approximately 30 percent. This accounts for 3 percent of total visitation in California, and although this is a small percentage of total travel within California, the international traveler stays longer and spends more than domestic travelers, which makes these markets very attractive to California's tourism industry and its economic benefit.

International Co-op Promotions

California Dream Days

Objective: To generate off-season visitation from Canadian travelers to all parts of California.

Description: Initiated by the DOT and now in its eighth year, *California Dream Days* allows the State to leverage its promotional dollars by joining Canada's two primary air carriers, Air Canada and Canadian Air International, in promoting travel to California. This discount program has developed into a well-recognized and anticipated promotion by the Canadian travel trade and consumer.

Each November through February, more than 500 California companies offer discounts to Canadian travelers through a directory compiled by the DOT and distributed in Canada. California Dream Days allows many rural-based tourism entities to market themselves to the vast Canadian market of 13.38 million potential visitors at a cost of only \$60-\$100 per listing.

California Dream Days is also the primary force behind Air Canada's California service. Because of the importance of the California product to Air Canada, the airline commits extensive financial resources promoting the State. Over the last two years, load capacity into California has been expanded in order to meet the growing demand for air service.

Measurement: Volume of Air Canada passengers from Eastern Canada to California grew 10.2 percent from 1991/92 to 1992/93. However, numerous California participants in the promotion say they have received little direct business from the promotion.

While California Dream Days seems to be an effective marketing tool in promoting California to Canadians, on the basis of overall volume growth, declining market share from Canada and skepticism from some of the California suppliers who participated in the promotion are causing DOT to critically analyze this promotion to determine how it should be improved or if it should be continued in its present format.

Budget:	DOT	\$95,000
	California industry	\$40,000
	Cooperative partner	\$650,000

Japan Credit Bureau International (JCB)

Objective: To obtain greater exposure among Japan's consumers.

Description: As "the international card of the Californias," the JCB Card is the primary charge card used by Japan citizens. With a current subscription of 14 million cards, JCB provides direct marketing exposure to a large number of affluent travelers. the DOT's agreement includes regular features and advertising about California in JCB's *Gold* magazine, which is mailed to cardholders. Additionally, JCB has developed two retail passports to California, which encourage Japanese retail spending at shops throughout Northern and Southern California. And, in cooperation with JCB, an educational seminar for California retailers and tourism suppliers was produced and conducted in the Greater Los Angeles Area and San Francisco Bay Area. These seminars provide essential information for California businesses on market trends and how to better serve the Japanese market.

Measurement: Both seminars were completely sold out and received high ratings from the retailers and tourism suppliers who participated.

Budget:	DOT	\$35,000
	Cooperative partner	\$100,000

Product Vision

Objective: To stimulate interest of British consumers in California as a travel destination.

Description: Product Vision places "California" destinations and vacation prizes in sweepstakes and special promotions associated with motion pictures made in California to obtain extensive media coverage.

Measurement: Though 1992 results have yet to be tabulated, in 1991 Product Vision produced an audited media value of \$6.3 million and reached approximately 104.4 million United Kingdom residents with California messages.

Budget:	DOT	\$12,000
	California industry - in-kind	\$25,000
	Estimated media value	to be determined

Japan Consumer Promotion

Objective: To stimulate consumer interest in and awareness of California as a travel destination.

Description: From July through August, 1993, the DOT, in cooperation with Coca-Cola Japan, United Airlines, JCB Credit Card and Sprint, will conduct "California Dream

Presents," the largest consumer promotion ever conducted by Coca-Cola in Japan. Themed images of California vacation destinations will appear on 492 million packages of Coke and Coke products at 1.7 million locations throughout Japan. There will be 7.6 million items of point of sale material and \$6 million will be spent by Coke, Sprint and JCB in television, newspaper, magazine and radio advertising, nationally.

Japanese consumers will enter a sweepstakes to win one of 500 trips to California. The themed trips will introduce Japanese consumers to new aspects of California not widely visited by Japanese travelers: California Gold Rush (Sacramento, Lake Tahoe, Gold Country, Yosemite), California Romance (San Francisco, Wine Country, Redwoods, North Coast), California Nature Adventures (Central Valley and Shasta Cascade or Los Angeles and Central Coast), California Sports (Santa Clara Valley and Monterey Bay or Inland Empire and Deserts), California Movie Magic (Los Angeles, Hollywood, Santa Monica, Malibu) and California Fun and Sun (Orange and San Diego Counties).

United Airlines has contributed 631 free roundtrip tickets to the promotion, and Japanese consumers will be able to obtain details about these vacation trips through a toll-free telephone service provided by Sprint. Joining the State of California in announcing the promotion to Japanese consumers will be the Japan National Tourism Organization. And, Miss California will participate in a tour of Japan promoting travel to California and announcing details of the promotion.

Measurement: A scientific study will be conducted by the DOT prior to and following the promotion to determine visitor interest in and knowledge of travelling to California for the purpose of determining the extent to which the promotion stimulated Japanese interest and intent to visit California.

Budget:	DOT	\$150,000
	Coca-Cola	\$15,000,000
	Sprint	\$58,000
	JCB	\$1,000,000
	Cooperative partner	\$600,000
	California industry	<u>\$500,000</u>
	Total Value	\$17,308,000

United Kingdom Consumer Promotion

Objective: To stimulate British consumer interest in and increase awareness of California as a desirable travel destination.

Description: The DOT in cooperation with Color Care, the largest photo processor in the United Kingdom, and Boots, the largest pharmacy chain in the United Kingdom, will conduct a consumer promotion throughout the United Kingdom.

Thirty vacation trips for two will be offered within the promotion, half to San Francisco and the other half to Los Angeles. Areas to benefit from increased visibility will be: Orange

County, San Diego, Palm Springs, Santa Barbara, Mammoth Lakes in Southern California and Monterey, Sonoma, Napa, Del Norte County and Lake Tahoe in Northern California.

Measurement: To be established on the basis of consumer response to the promotion.

Budget:	DOT	\$150,000
	Color Care	\$500,000
	Boots	\$1,000,000
	California industry	\$25,000
	Cooperative partner	<u>\$30,000</u>
	Total Value	\$1,705,000

International Marketing Services

Overseas Representation

Objective: To provide daily contact with the travel trade media as well as generate and implement stronger promotional opportunities than what could be developed stateside.

Description: The DOT utilizes the services of contractors in Japan and the United Kingdom/Germany to provide training to travel agents, to meet with travel companies, to coordinate promotions, to develop trade materials and to respond to consumer and trade inquiries about travel to California. It is essential that the destination of California maintain close relations with international travel trade. The DOT is presently reviewing candidates to take over the representation in Japan. However, the DOT's eventual objective is to place a permanent staff member in the California Trade & Investment Office in Tokyo. This staff member would be responsible for developing tourism-related activities.

Overseas representatives assist in facilitating California's efforts to strengthen market presence. The three representation offices have played key roles in the implementation of tour operator and travel agent fam tours, sales missions, brochure distribution, educational programs and the strengthening of the State's relationship with airlines and private sector partners.

These contract representatives also provide the lesser-known areas of California the opportunity to promote themselves internationally through the State which otherwise could not be achieved on an individual basis.

Measurement: The DOT's foreign representatives provide annual and monthly reports on the number of contacts made and services rendered.

Budget:	Japan	\$150,000
	United Kingdom/Germany	\$90,000

International Trade Development

Objective: To broaden the awareness of California as a travel choice as well as expand the knowledge of key travel trade representatives regarding the diversity of The Golden State.

Description: The primary focus of the international program is the coordination of marketing programs targeted at the travel trade representative directly. The DOT focuses primarily on the travel trade due to the importance they play in assisting clients in making a decision. Though some consumer activity has taken place, the DOT typically cannot promote directly to the consumer due to the vast quantities of collateral material required.

Following are the trade shows, sales missions and familiarization tours the international program carried out during January 1992 through June 1993.

Expo Vacaciones - Mexico City/Guadalajara and Monterey - February 1992

Objective: To maintain a California presence in the Mexican marketplace among the State's many competitors vying for the market.

Description: The DOT led 42 California companies to Mexico City and Guadalajara to participate in Expo Vacaciones in February 1992, the single largest travel trade show in Mexico. Sponsored by the United States Travel and Tourism Administration in Mexico City, Expo represents the DOT's primary promotional effort in the Mexican market, thus making our attendance even more important. Expo is one of the few venues that California regularly dominates its competitors presence, although this edge appears to be slipping.

In Monterey, the California delegation promoted alone without any other competing destinations.

Measurement: The California travel industry's interest in the Mexican market was marked by a 5 percent increase in participation at Expo Vacaciones over 1991. As California's largest generator of foreign visitors (2 million annually), Mexico is also ranked third in total spending among both domestic and international markets.

Budget:	DOT	\$2,000
	California industry	\$130,500
	Cooperative partner	\$25,000
	Other	\$10,000
Attendance:	Wholesale	200
	Retail	2,500
	Media	50

International Tourism Exchange - Berlin (ITB) - March 1992

Objective: To inform the German travel trade about the vast diversity of California.

Description: ITB is the largest travel trade exhibition in the world and Germany is California's second largest generator of European visitors. Due to the German travelers tendency to explore, this is an excellent opportunity for California's lesser-known areas to

promote their product at a reduced rate. In fact, of the seven California participants, three were from rural areas. Without the State's leadership and presence at ITB, the cost would be prohibitive for any of the rural areas to attend due to the tremendous booth space cost.

Measurement: Under the State's "umbrella" there was a 20 percent increase in California representation at ITB in 1992 over 1991.

Budget:	DOT	\$20,000
	California industry	\$17,900
	Cooperative partner	\$30,000

Attendance:	USA Pavilion	5,000
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United Kingdom Familiarization Tour - Northern and Southern California - March 1992

Objective: To provide 18 of the top United Kingdom travel agents the opportunity to increase their knowledge of California as a travel destination.

Description: This annual fam tour is the final step of a three-part training program regarding selling USA travel. The first two levels involve classroom study, while participation in the fam tour completes the certification process to be an official USA travel counselor.

Sponsored by the USTTA office in London and an air carrier, the fam tour is strongly supported by the California industry. The United Kingdom is California's number one European visitor market and the participating agents are highly qualified. Seven to nine lesser-known areas in California were highlighted. The counselors found this very beneficial to experience these areas personally.

Measurement: At no cost to the State, the United Kingdom USA Travel Counselors Fam Tours are an excellent marketing tool. California suppliers participating in the program remarked on the potential for increased business based on the high quality of buyers present on the tour.

Budget:	DOT	No Cost
	California industry	\$19,470
	Cooperative partner	\$14,400

Destino USA - South America Sales Mission - March 1992

Objective: To create a greater awareness of California in the South American marketplace.

Description: The DOT led 13 California companies to participate in Destino USA, in Buenos Aires and Sao Paulo and separate California programs in Rio de Janeiro and Belo Horizonte. This was the first time that California had conducted a sales mission in South America. The markets were selected because of the sudden surge in travel from South

America, caused by improved economies in these countries and improved air service to California.

California participated in trade shows as well as conducted educational seminars for the travel trade in each city. Destino USA in South America is sponsored and coordinated by the USTTA South America office and Foreign Commercial Service. As a result, California made personal contact with approximately 100 wholesalers, 500 retail travel agents and at least 10 travel media contacts.

Measurement: The response from the trade was overwhelming. Travel from South America to California registered a 15 percent increase in 1991. Traditionally a Florida visitor, South American travelers have indicated a need for California information and assistance in developing this market. In addition, new air service from the key South America cities is expanding to handle the emerging growth.

Budget:	DOT	\$10,000
	California industry	\$52,500
	Cooperative partner	<u>\$40,000</u>
	Total Value	\$102,500

Japan Super Fam - Northern and Southern California - April 1992

Objective: To create greater awareness of California diversity among key travel agencies to the potential of California being a repeat vacation destination.

Description: Japan represents California's largest Pacific Rim market and is ranked in the top ten of California's highest per capita spending markets. The Japanese Super Fam was the first of its kind to be directed by the DOT. The term "Super Fam" gives you the impression that this was a larger-than-usual group, and it was... 125 top Japanese travel agents, many of whom had not previously visited California.

The program included inspection tours and educational seminars of both metropolitan areas as well as lesser-known destinations in Northern and Southern California in April 1992.

Measurement: Positive feedback was received from Japanese travel agents, supporting airlines, USTTA Tokyo, and the California participants. Due to its success, similar programs are being considered for other key markets, as well as a second Japan program in April 1994.

Budget:	DOT	No Cost
	California industry	\$245,000
	Cooperative partners	\$230,000
Participants:	Retail	125
	Escorts	10

Discover America Pow Wow - San Francisco - June 1992

Objective: To meet one on one with international travel buyers and media in an effort to maintain and expand California presence in the international marketplace.

Description: One-on-one meetings provide for productive discussions regarding new product development as well as current product expansion, ordering of collateral materials and generation of positive media exposure. Pow Wow also provides an excellent opportunity to meet with current and prospective airline partners to discuss future cooperative programs as well as meetings with key representatives from the 12 USTTA offices worldwide to develop California's marketing strategies in key countries.

Pow Wow is recognized worldwide as being the major marketplace for transacting inbound U.S. travel. One of every eight foreign visitors and more than \$1 billion of USA travel is generated through this annual event.

Measurement: To indicate the importance for the DOT to be present, 1992 saw the DOT meet with the maximum number of officially scheduled trade appointments (80) allowed, and in addition meet with 100 additional wholesalers and media that were on a waiting list. Many of these appointments involved exposure for California's lesser-known regions of which local tourism representatives could not attend.

The 1992 investment was extraordinarily higher than normal because the host city was in California. When held in other cities, normal the DOT cost is approximately \$3,100.

Budget:	DOT	\$30,000
	California industry	\$500,000
Attendance:	Wholesale	1,200
	Media	200

Post Pow Wow Fam Tours - North, South, Central and Eastern California - June 1992

Objective: To showcase other areas, outside the host city of San Francisco, to key international buyers attending Pow Wow in an effort to encourage new product development, especially in the lesser-known areas of the State.

Description: Many areas exposed through the four separate tours received a great deal of interest from participants. For many rural areas, these fam tours are the only opportunity to market to the foreign buyers and they look to the State to develop these opportunities.

Budget:	DOT	No Cost
	California industry	\$20,000
Participants:	Travel trade	300

Measurement: California suppliers overwhelmingly requested the chance to host Pow Wow attendees on State farm tours. The four farm tours were completely booked and there were additional names on waiting lists.

USTTA Destination Seminars - Australia and New Zealand - August 1992

Objective: To reestablish a market presence and renew awareness of California as a travel destination, especially to areas outside major gateways.

Description: After an absence from these seminars for two years, the DOT was able to participate through the provision of funds from the California Tourism Corporation received from USTTA as part of a grant to promote international travel.

Though California continues to be a preferred long-haul destination, especially for first-time visitors, the experienced travelers are heading to other eastern states. The seminars offered an excellent opportunity to help recapture the experienced Australia/New Zealander's attention. Increased competitor activities demand that California continue a regular presence in the market.

The State's participation allowed clear presentation that California has a great deal to offer visitors outside its gateway cities and was positively received by the attendees. At the conclusion of presentations in each city, many requests were received for specific information from the lesser-known areas throughout the State.

Budget:	DOT	\$100
	Cooperative partner	\$2,000
	Other	\$3,500
Attendance:	Wholesale	10
	Retail	3,007
	Press	57

Measurement: As a result of the State's presence, an annual educational program for New Zealand travel agents has been developed. Many of California's lesser known destinations are being considered for inclusion in Australian tour operator brochures.

Eastern Canada Sales Mission - Alberta, Ontario and Quebec Provinces - August 1992

Objective: To influence Canadian travel agents and tour operators to emphasize California to their clients.

Description: Recognized as traditionally staying longer and spending more on a daily basis than Western Canadian markets, the Eastern Canadian represents an attractive visitor for California. Though still an emerging market for California due to their proximity to Florida, our co-op air partner retains steady growth and demand for their routes servicing the State.

Measurement: California had 18 participating companies, a one-percent increase in industry support over 1991.

Budget:	DOT	\$10,000
	California industry	\$52,200
	Cooperative partner	\$40,000
Attendance:	Montreal	222
	Ottawa	192
	Calgary	192

VUSAMART - Atlantic City - September 1992

Objective: To help maintain a market presence in primary Asian markets (i.e., Japan) and to help develop greater secondary market awareness (i.e., Singapore).

Description: An annual exhibition allowing USA suppliers to meet with buyer representatives from throughout Asia. However, due to downturn in buyers attending the show in recent years, the California industry is reevaluating support of this exhibition in 1993.

Measurement: California's presence was well received by the buyers as indicated by THE DOT receiving the maximum scheduled appointments allowed. We were also able to meet with 25 buyers on a wait list.

Budget:	DOT	\$2,000
Attendance:	Appointments	42
	Attendees	280

Discover America Pow Wow Europe - Belgium - September 1992

Objective: To maintain a market presence in the highly competitive European market.

Description: Attending for the third consecutive year and sharing a booth with major California destinations, the quality of buyers appeared to be much improved over previous years. Pow Wow Europe tends to provide smaller wholesalers, that cannot attend the regular Pow Wow in the Spring of each year, the opportunity to develop new product.

Measurement: The State's presence is beneficial as many destinations cannot afford to promote their destinations to smaller European buyers.

Budget:	DOT	\$2,000
Attendance:		400

Western Canada Sales Mission - British Columbia - September 1993

Objective: To maintain a market presence in the province generating the largest number of Canadian travelers, British Columbia.

Description: By far one of the most heavily supported programs each year, the Western Canada Sales Mission offers California companies to promote themselves to large numbers of travel trade at an affordable cost.

Measurement: This program sells out each year with 40 plus participants.

Budget:	DOT	\$10,000
	California industry	\$47,500
	Cooperative partner	\$16,000
Attendance:	Wholesale	30
	Retail	400
	Media	10

La Cumbre - Orlando - October 1992

Purpose: To create a greater awareness of California among key buyers in Latin America.

Description: In an effort to further test the potential interest in the Latin America market, the DOT attended La Cumbre for the first time in 1992. Major California cities also participated and met with primary wholesale producers from South America.

Measurement: Response was overwhelmingly positive, lending further support to increased marketing activities in Latin America, particularly the California Sales Mission to South America in 1993.

Budget:	DOT	\$1,200
Attendance:	Wholesalers and retailers	35

Southeast Asia Sales Mission - Hong Kong, Korea, Taiwan - October 17-27, 1992

Objective: To enhance the travel trade's knowledge of California and further attract Southeast Asians through trade shows and educational seminars.

Description: The Southeast Asian market remains strong for California as all three countries rank among California's top 11 visitor markets and top five in per person expenditures. However, all three markets have indicated a much stronger interest in visiting destinations other than the Western USA.

Measurement: California had strong representation with 29 companies participating, the largest ever in this market. Every function and seminar was attended by top buyers from each market.

Budget:	DOT	\$20,000
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	California industry	\$101,500
	Cooperative partner	\$100,000
Attendance:	Hong Kong	270
	Korea	200
	Taiwan	100

Air New Zealand "Club California" - All areas of California - November 1992

Objective: To impress upon the participating travel agents that California is a repeat destination by showcasing new developments in gateway cities and highlighting the lesser-known areas of the State.

Description: Two groups of retail travel agents selected by Air New Zealand participated in separate fam tours throughout the State. Both groups joined together at the conclusion of their tours for two days of educational seminars. Each agent received a California reference manual containing information regarding different areas of the State, which the agents will use as a continual resource. The agents responded well to this initial program as many new areas within California were brought to their attention for potential sales.

Measurement: Air New Zealand initiated this program to generate sales on their Auckland-Los Angeles route; there is discussion about making it an annual event. The participating media are launching a newsletter about California and the program to keep the agents reference guides up-to-date.

Budget:	DOT	\$100,000
	California industry	\$13,750
	Cooperative partner	\$133,500

Participants:	Retail	65
	Press	3
	Escorts	2

Air Canada Fam Tour - San Francisco Bay Area - November 1992

Objective: To further educate Air Canada's top travel agents from throughout Canada regarding the vacation potential in the San Francisco Bay Area.

Description: This annual fam tour helps to supplement the California Dream Days promotion and supports Air Canada's year round promotion of the program.

Measurement: The largest attended Air Canada/DOT fam ever conducted also was one of the best ever. None of the participants had ever been to San Francisco, thus the fam provided exposure for both a primary gateway and a lesser-known destination. The program received high reviews and generated a strong interest in selling Northern California.

Budget:	DOT	No Cost
	California industry	\$17,600

Cooperative partner \$11,000

Participants: 18

World Travel Market (WTM) - London - November 1992

Objective: To create greater awareness and maintain California's presence in the United Kingdom market.

Description: The United Kingdom represents California's number one European visitor market. Unfortunately, due to declining economic conditions and increased market activities in the United Kingdom by competitors, visitation to the State has declined. WTM provides California exhibitors the opportunity to confirm and sign United Kingdom contracts for the coming year.

The cost of exhibiting at this show continues to climb and is becoming financially prohibitive. The introduction of a new exhibition targeting the United Kingdom market is being considered as a replacement for WTM in 1994.

Measurement: In cooperation with American Airlines, the State led 32 California companies to the largest English-speaking travel trade exhibition in the world. State funds afford California suppliers, who might not otherwise attend, the opportunity to exhibit at WTM. Total trade attendance at WTM increased 20 percent over 1991.

Budget:	DOT	\$40,000
	California industry	\$165,000
	Cooperative partner	\$100,000

Attendance: Travel Trade 2,500

World Travel Fair - Tokyo - December 3-6, 1992

Objective: To reestablish a sense of commitment to the Japanese market by expanding our marketing efforts and attending this show.

Description: Due to the decline in Japanese travel to California due to negative publicity, economic recession and increased competitor activity in Japan, the DOT joined forces with the Department of State Parks and Recreation and sent two Parks' representatives to World Travel Fair. Both representatives, dressed in official uniforms, were a big hit and kept the California booth the busiest of all exhibitors. Our effort was highly commended by USTTA Tokyo as well as our Japanese contractor.

Measurement: Presentation of a new product in the Japan market sparked a renewed interest in California by Japanese tour operators. Japan Airlines and Japan Travel Bureau, the largest Japanese wholesaler, are developing a new program that will emphasize off-road four-wheel drive experiences.

Budget:	DOT	\$8,500
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Attendance:	California industry	15,760
	Public/Consumer	113,788

United Kingdom Travel Counselor Program - Southern California - January 1992

Objective: To continue expanding the educational training and certification of United Kingdom retail agents in becoming certified USA travel counselors.

Description: Agent participation makes them more aware of California's diversity and better able to sell the State effectively to this important United Kingdom market.

Measurement: USTTA London, co-sponsor of the program, advised that the trip was very successful and that the participants were already researching how they could best sell the destinations included on the tour.

Budget:	DOT	No Cost
	California industry	\$20,350
	Cooperative partner	\$15,400

Participants:	20
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Expo Vacaciones - California Sales Mission - Mexico City and Guadalajara - February 1993

Objective: To maintain California's presence in the Mexican market amongst increased market activity by competitors.

Description: Expo represents the only current major trade show opportunity in Mexico City which is effective in reaching the travel trade around this populous center. California's lack of promotional activity, together with increased activity by competitors and new air service from key Mexican cities to other states, has contributed to the State's market share loss to other destinations. Fortunately, the rare development of a new airport facility and air service to Ontario has recaptured some of the attention.

Measurement: California had 45 companies represented at Expo, the largest delegation of any state. The presence in Guadalajara was solo for California and the response was tremendous with nearly 300 travel agents attending. Recent statistics show Mexican travelers ranked number one in per-visitor, per-74-day spending in U.S. in 1991, edging out Italy and Japan.

Budget:	DOT	\$2,500
	California industry	\$144,000
	Cooperative partner	\$37,800

Attendance:	Wholesale	100
	Retail	2,500
	Press	15

International Tourism Exchange - Berlin (ITB) - March 1993

Objective: To further nurture the growth of the German market by maintaining California's presence at the largest travel trade show in the world.

Description: Though relatively inexperienced, the eastern block traveler is already becoming capable of traveling long haul with 50-60,000 having already visited the U.S. Germans currently have 30 percent more purchasing power in the U.S. than they do at home, making a U.S. vacation even more attractive.

Measurement: The DOT and 12 California companies (an increase of 50 percent) attended ITB in 1993. The response to California was very positive with an increased interest from previous eastern block communities. The German market has developed into one of California's top European markets, with a 14 percent increase in visitor traffic in 1991.

Budget:	DOT	\$25,000
	California industry	\$37,600
	Cooperative partners	\$25,100

Attendance: USA Pavilion 6,200

United Kingdom/American Airlines Fam Tour - Southern California - March 1993

Objective: To create greater awareness of the three southern California gateways and one rural destination to key tour wholesalers from the United Kingdom.

Measurement: This program, coordinated by the United Kingdom contract representative and the DOT, for San Diego, Los Angeles, Anaheim and Palm Springs, was somewhat successful. Some new product was introduced which was well received but a few operators found it hard to sell due to differing market concentration.

Budget:	DOT	\$700
	California industry	\$9,075
	Cooperative partner	\$7,700

Participants: 12

Destino USA/South America Sales Mission - Argentina and Brazil - March 1993

Objective: To create an established marketing presence after attending this program in 1992 and La Cumbre travel trade show in October 1992.

Description: As an emerging market, it is especially important for California to attend this program after seriously entering the market in 1992. Despite a substantial increase in cost over 1992, more than 50 percent of the exhibitors returned in 1993 and total participation increased.

Measurement: A 20 percent increase in trade contacts were made over 1991. In addition, appointments were held with key airlines serving California to discuss further

promotional programs. Hoteliers participating in 1992 indicate their presence created increased bookings of 50 to 125 percent.

Budget:	DOT	\$12,500
	California industry	\$77,500
	Cooperative partner	\$40,000

Attendance: 4,000

Discover America International Pow Wow - New Orleans - May 1993

Objective: To increase California's market presence in all international markets by meeting one-on-one with key wholesalers to discuss new product development, distribute literature and obtain positive media exposure.

Description: Though preliminary details regarding buyer attendance are not yet available, it is expected to be similar to 1992. The DOT also expects to receive the maximum number of officially requested buyer appointments as well as over 100 requests from buyers outside the appointment block.

A new exhibit design of banners to unify the various California booths under a collective image will be produced for Pow Wow - New Orleans. These banners will utilize the colors developed for the new trade show booth. In the past, California companies were asked to contribute to the banners. Those that did not contribute, did not get a banner, but this created a spotty appearance which reflected poorly on California. The DOT has decided to produce banners for all California section booths. The banners will include a general "California" pennant and a regional pennant (i.e., North Coast, San Francisco Bay Area, etc.).

Measurement: Number of meetings held, quality of agents met, contacts made and other evaluations. Under next year's research evaluation program, the DOT will include a scientific measurement of trade development activities. If possible, the DOT will attempt to begin this process by evaluating this show, as it is the largest and most important travel trade show in which the State exhibits.

Budget:	DOT	\$36,000
	California industry	Not Available

Attendance: Over 1,400 buyers, representing 55 countries will attend

Visit USA Centers

Objective: To get California sales materials distributed at low cost in countries where California does not have an overseas office or representative.

Description: Visit USA Centers are located in Madrid, Spain and Brussels, Belgium. These centers distribute sales materials of United States destinations, at low cost. This expands the distribution of California tourist information to travelers.

Measurement: Number of brochures distributed.

Budget: DOT \$1,500

Media Relations Program

Press Trips

Objective: To increase the frequency and reach of positive travel stories about California destinations, attractions, activities, and events by targeting in-state, domestic and international travel trade and consumer writers, broadcasters and photographers for press trips throughout The Golden State.

Description: The DOT-led press trips usually highlight lesser-known areas of California to stimulate new story ideas. The DOT conducted a press trip to the southern portion of the Central Coast in February 1992, featuring visits to San Luis Obispo, Pismo Beach, Santa Maria, Santa Barbara, and Ventura. The DOT planned to conduct up to four press trips during 1992/93. However, lacking the resources to hire an outside public relations agency, only one trip has been scheduled. A *Route 66* press trip featuring Santa Monica, Pasadena, San Bernardino, Barstow, and Baker is planned for June 10-14, 1993.

In addition, the California Tourism Corporation received a disaster grant from USTTA. A major element of which was to coordinate press trips for international consumer travel journalists. Countries sending media to date include Australia (two trips), Brazil (two trips), Canada, Germany, Japan, the Netherlands, and the United Kingdom. Upcoming trips include journalists from France, Mexico and Venezuela. The DOT assisted the California Tourism Corporation with itineraries, press kit material, contacts in areas being visited, etc. Although conducted by the California Tourism Corporation, the press trip for Canadian journalists in September 1992 was the DOT's annual *California Dream Days* press trip.

Measurement: Press clippings will be collected and media values of each article will be assessed. The Central Coast press trip conducted in February 1992 included four travel writers and resulted in the following publicity: *Northern California Handbook* by Kim Weir, Moon Publications, (20,000 copies worldwide); "Ventura," a two-page cover feature in the travel section of the April 19, 1992 edition of *The Press-Enterprise* (Riverside) by Donna and Ray Ott (circulation: 163,000).

Editorial Visits

Objective: To visit key consumer and travel trade print and broadcast journalists in in-state, domestic and international markets with the purpose of gaining favorable publicity for California, promoting the State's lesser-known destinations, and encouraging travel during "off" and "shoulder" seasons.

Description: Meet with travel and feature editors at top consumer magazines and daily newspapers, travel trade writers, travel guide editors, broadcasters, and freelance travel writers in key markets such as Los Angeles, New York, Washington, D.C., Montreal, and London.

Measurement: June 1992 - **New York**. Editorial visits resulted in appointments with representatives from *Fodor's Travel Guides*, *Parents Magazine*, *Diversion*, *Gourmet*, *Travel & Leisure*, *Modern Bride*, *Bride's*, *House & Garden*, *Tour & Travel News*, and Associated Press. Follow-up includes ongoing dialogue regarding story ideas and supplying editors and writers with the necessary material and contacts to write their articles. Several interviews between John Poimiroo and Ruthanne Sutor-Terrero of *Tour & Travel News* (travel trade publication with circulation: 62,000) resulted from the trip; placements include a major California feature by Jordan Simon appearing in the June/July 1993 issue of *Modern Bride* (circulation: 350,000).

August 1992 - **Montreal, Ottawa and Calgary**. Canadian Sales Mission included visits with travel media, such as: *Travel, Travel*, CFCF 12-TV; *Femme Plus*; *Bulletin Voyages*; *Tourisme +*; *Le Journal de Montreal*; *Tour Hebdo*; *CITE-FM Radio*; *The Ottawa Citizen*; *CKRY-FM Radio*; and *Calgary Sun*. THE DOT's efforts resulted in print and broadcast placement of *California Dream Days* publicity.

November 1992 - **London**. During World Travel Market, the DOT representatives met with more than 30 travel journalists; on-site radio interviews included *LBC Newstalk 97.3 FM*, *BBC Radio* and *BRMB Radio 96.4 FM*. California press trips that were generated as a result of THE DOT's visit: Paul Watson, host, *The Big E*, weekly program airing on ITV Network with estimated audience of 1.5 million; Elizabeth Booth, freelance travel writer on assignment to write articles for EVA Airlines in-flight magazine, *Travel Trade Gazette* and *NEXT Magazine*; and Mick Sinclair, author of *Rough Guide To California*, updating third edition of guide.

January 1993 - **Los Angeles**. Met with travel editors and writers from *Los Angeles Times* and *Los Angeles Daily News*; editors of *Westways* and *Auto Club News*; producer of *California's Gold*, KCET-TV; travel correspondents for *CBS This Morning*; plus top-producing freelance travel writers. Follow-up material has been sent and story ideas are being researched.

May 1993 - **Palm Springs**. Appointments with key travel writers from the Western U.S. and Canada will be arranged during the Society of American Travel Writers Western Chapter meeting. **Washington, D.C., Seattle and Portland**. Editorial visits are planned.

Photography

Objective: To develop a comprehensive photograph and color slide library in order to gain maximum exposure for California via placement in magazines, newspapers, guide books, and tour operator and travel agent brochures.

Description: Essential to getting positive exposure in media is having available an excellent collection of original and high quality duplicate color transparencies and black and white prints. Desperately lacking this resource, the DOT has contracted with two-time, Society of American Travel Writer Photographer of the Year Robert Holmes from Mill Valley to photograph California destinations, attractions, activities and events, particularly the lesser-known ones.

Measurement: Once the library has been updated (contract ends January 1, 1993), the DOT can determine success of program by how many images are published in publications and brochures.

Budget:	Photography	\$50,000
	Slide duplication	\$2,500

"What's New in California" Press Releases

Objective: To have informational updates placed in travel roundup and event listings in newspapers and magazines, and on radio and TV. Release also serves as good resource for story ideas.

Description: Updated quarterly, the release is a vehicle for informing the consumer and travel trade and media of new developments, attractions and other timely events happening throughout California.

Measurement: Rarely reproduced in its entirety, portions of the release are often included in roundup listings and columns. Comments from the travel media have been very positive and tour operators have found them useful for updating tour package brochures.

Ongoing Media Contact and Press Releases

Objective: Provide ongoing communications and place California story ideas with key press, contacting at least 20 writers per month. Distribution of press releases promoting the DOT programs, publications and promotions.

Description: A major part of an effective media relations program is the timely dissemination of accurate, newsworthy information and the development of fresh story ideas.

Measurement: The DOT averages at least 50 media requests per month requiring researching story ideas, assisting with press trips, providing additional information about topics covered in press releases, arranging interview, and responding to issues and concerns effecting tourism in California. Most of these requests are documented in media contact reports and supported by news clippings.

New York Media Event

Objective: To reach a substantial number of the nation's key travel trade and consumer writers, editors and broadcasters for purposes of generating positive publicity about California.

Description: The DOT would lead a State of California media mission to New York and would stage a major California lunch or reception in conjunction with a mini-trade show. A theme would be utilized and participants would also have two days free for individual editorial appointments. At least 100 New York area press from both the travel trade and mainstream outlets would be invited.

Measurement: Success would be measured by overall attendance at the event, the amount of stories generated about California, and the overall editorial content of stories published.

Budget:	DOT	\$50,000
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FY 1993/94 Marketing Plan

Background

On February 11, 1992, the California Tourism Commission authorized the following marketing plan to be conducted in FY 1993/94. As is typical of all marketing plans, this is a living document, subject to revision as budget, events and opportunities allow. All recommended changes are brought to the CTC for authorization.

For purposes of expedience, narrative descriptions of elements of the plan which were previously described in the FY 1992/93 Program Evaluation and which will not substantially change in FY 1993/94 have been not been duplicated in this plan. Narrative descriptions of new elements follow.

Research

Economic Research

Transient Occupancy Tax (TOT)/Promotion Research

Objective: To document for California communities and tourism marketing organizations the relationships between TOT and visitation, and between local tourism promotion and economic benefit.

Description: Communities throughout the State have become increasingly dependent upon TOT for local revenues. California's lodging industry is concerned about whether increases in TOT affect their ability to compete and to what degree. Further, as communities struggle to maintain services, they are seeking additional sources of revenue or choose to cut existing support to various government services. Funding from TOT to local tourism promotional organizations has been cut to provide for other local governmental services. California's travel industry is concerned that cuts in tourism promotion on a local level will worsen the overall economic vitality of a community. Two studies, to provide answers to these questions, will be conducted concurrently.

Measurement: Response to the surveys, from the standpoint of community or industry interest will be a form of measurement. The value to California is that the research may either provide communities with a benchmark or point of no return for increases of TOT and articulate the value or need of collective city or county tourism promotion.

Budget: DOT \$30,000

Evaluation Studies

As stated in the Program Evaluation Research section, two new evaluation studies will be conducted in FY 1993/94. In addition to repeat of the Advertising Evaluation (currently being conducted), evaluation of collateral and fulfillment and of Domestic and International Trade Development will be conducted.

Budget: DOT \$90,000

Market Research

Focus Groups

Objective: To document effectiveness of advertising concept and themes in advance of investment.

Description: The DOT's advertising agency will conduct focus groups in targeted markets, in advance of placement of advertising, to determine effectiveness and appropriateness of various advertising approaches. Such focus groups can also be used to fine-tune promotional efforts for greater cost efficiency.

Budget: DOT \$85,000

Mexican Leisure Market Study

Objective: To further study Mexican travel to California for the purposes of better understanding how to expand this important source of visitors.

Description: Mexico is the leading source of international visitors to California. It is also one of the biggest contributors to California's economy in terms of visitor spending, but little is known about how to stimulate more Mexicans to travel to California. This study will explore this aspect, to aid the State and its travel industry in developing the market. California will be able to join in with USTTA, at reduced cost, on an expanded look at Mexican travel patterns.

Measurement: Lessons learned are the most relevant measurements of whether market research is valuable or not. This past year, market research conducted by the DOT taught many previously unknown lessons about how to reach the Japanese, Canadian, United Kingdom and German markets. The DOT is putting those lessons to work today, because of the research. Similar results are expected from the Mexican market study.

Budget: DOT \$10,000

Fulfillment and Collateral

Adventures Guide

Previously discussed in the Program Evaluation, a \$25,000 budget has been allocated in FY 1993/94 for production of this guide. No budget was allocated last year, as it was privately produced. The DOT is unsure that a private source of funding can be found for the guide. It will produce a smaller publication if private funding can not be located.

Resort Directory

Objective: To stimulate visitor interest in California resorts.

Description: California lacks a directory focused upon resort activities: golf, tennis, spas, resort hotels, etc. Working with a major publisher, such as American Express, Conde Nast Traveler, Sunset, etc., The DOT will develop a resort directory which will be both distributed through the publication and be provided to the DOT for distribution through fulfillment.

Measurement: Circulation, requests for additional information through fulfillment, response from resorts identified in the guide.

Budget: DOT \$50,000

Honeymooner's Guide

Objective: To stimulate visitor interest in California honeymoon properties and destinations.

Description: California has been losing share of honeymoon travel since 1977 and lacks a directory focused upon honeymoon resorts and destinations. Working with a major publisher, such as Modern Bride, Bride, etc., the DOT will develop a honeymoon directory which will be both distributed through the publication and be provided to the DOT for distribution through fulfillment.

Measurement: Circulation, requests for additional information through fulfillment, response from properties and destinations identified in the guide.

Budget: DOT \$50,000

International Brochures

Objective: To provide information to international visitors which helps stimulate interest in visiting California and helps them plan their trips to California.

Description: California, every two years, reprints maps of the State which include promotional descriptions in English, French, German, two versions of Spanish, Italian, Korean, Chinese, Portuguese and Japanese. These are the State's only foreign-language brochures and are essential to the economic development of tourism from countries which speak these languages.

Measurement: As evidenced by reports from USTTA, the California foreign-language brochures are the most requested single brochure provided in each of the USTTA offices. Tracking will be maintained through USTTA and overseas representative offices.

Budget: DOT \$75,000

In-State/Rural Program

California Countryside - TIA Membership

Objective: To provide an opportunity for lesser-known and underutilized destinations within California to promote travel to their areas to an international audience.

Description: Discover America Pow Wow is the largest international marketplace in the U.S. To sell to this important trade show, one must be a member of the Travel Industry Association of America (TIA) and purchase highly prized booth space immediately upon the opportunity to do so. The cost of membership and difficulty of getting into the show prohibits many lesser-known destinations in California from being able to participate. To remedy this, the DOT plans to purchase a membership in TIA for the "California Countryside" and acquire a double-wide booth at Pow Wow for use of five representatives of rural regions and a representative of State Parks. These representatives will pay for their own travel expenses related to Pow Wow and will be required to sell travel to all of California's Countryside destinations.

Measurement: Response from the travel industry, number of meetings arranged.

Budget:	TIA membership	\$1,500
	Booth space	\$6,000
	Booth development	\$15,000

Consumer Shows

Objective: To provide opportunities for lesser-known and underutilized destinations of California to market travel to their areas to California travel consumers.

Description: DMOs in some rural communities are so under financed that they are unable to afford to attend consumer travel shows in the State. This element will allow rural regional tourism organizations to promote at consumer shows in Los Angeles, San Diego, Orange County and the San Francisco Bay Area. The DOT will send a representative to these shows and use the booth developed for Pow Wow to be placed in the shows under the theme "California Countryside."

Budget: DOT \$8,000

Measurement: Attendance at shows, evaluation of consumer response, participation of rural regions, consumption of promotional materials.

Domestic Program

Domestic Trade Development

Northeast and Midwest Sales Missions

Objective: To increase the knowledge of travel agents and tour operators in Washington, D.C., New York, New Jersey, Chicago, Oak Brook and Minneapolis about selling California and to improve contacts between the travel trade and California suppliers.

Description: The DOT will organize and conduct cooperative sales missions with the California travel industry to select northeast and midwest markets. Educational sessions will be conducted by the DOT and participating DMOs and travel companies.

Measurement: All domestic trade development programs will be measured by a new study, mentioned in the Research Evaluation section. Attendance, size of market served by attending participants, response to the sales sessions on evaluation forms.

Budget:	Northeast	\$10,000
	Midwest	\$10,000

Student Mail

Objective: To respond to student inquiries for information about California and provide a packet which reduces cost to the State while increasing positive impression of the State on educators, students and potential visitors.

Description: Schools throughout the United States require that grade school students write to state governments for information about the State, such as: the state's history, seal, flower, bird, tree, mammal, etc. This was originally done by the Secretary of State's office, but was transferred to the DOT some years ago.

Approximately 50,000 such requests are received each year, consuming valuable tourism promotional materials which were designed for commercial rather than educational purposes. A special educational packet is needed. Therefore, the DOT will, through its marketing agency, seek an institutional sponsor to produce a new student packet, designed to appeal to third-grade students and to satisfy the requirements of student research projects. It is hoped that this effort will result in the production of a packet at no cost to the State.

Measurement: The conditions of which the marketing agency will be able to secure from an institutional sponsor will be the measurement of success. That is, quality of publication, number of copies, and other subjective evaluations.

Budget:	DOT	\$5,000
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Newsletters

California Adventures

Objective: To stimulate increased use of California's travel product by the travel trade.

Description: *California Adventures* will be a quarterly, two-color, six-page publication directed to the travel trade: travel agents, tour operators, tour wholesalers and receptive operators, to inform them of new travel destinations and events in California.

Measurement: Success of the publication will be measured by annual reader response cards to be included in the publication.

Budget: DOT \$22,000

International Program

International Trade Development

Huddle West - San Diego

Objective: To promote California within western destinations.

Description: Huddle West is a trade show focused on western routes. It is important to continue to educate new international tour operators/employees and to keep them thinking of California as a vital part of a western loop tour. California's participation is essential to maintaining the State on western tour routes.

Measurement: All international trade development programs will be measured by a new study, mentioned in the Research Evaluation section. Attendance, size of market served by attending participants, response to the sales sessions on evaluation forms.

Budget: DOT \$2,000

European Sales Mission

Objective: To increase the knowledge of travel agents and tour operators in Paris, Milan and Munich -- important travel centers in western Europe which have been essentially ignored on past the DOT sales efforts -- about selling California and to improve contacts between the travel trade and California suppliers.

Description: The DOT will organize and conduct cooperative sales missions with the California travel industry to the aforementioned markets. Educational sessions will be conducted by the DOT and participating DMOs and travel companies.

Measurement: All international trade development programs will be measured by a new study, mentioned in the Research Evaluation section. Attendance, size of market served by attending participants, response to the sales sessions on evaluation forms.

Budget: DOT \$30,000

German Super Fam

Objective: To create greater awareness of California diversity among key travel agencies to the potential of California being a repeat vacation destination.

Description: Germany represents California's best opportunity for economic benefit to all areas of the State. Germans spend the most on travel per capita of any nationality. A Super Fam is an oversized fam tour bringing over 100 travel agents to California on a directed educational trip for the purpose of expanding their knowledge of and ability to promote and sell travel to California.

Costs are largely borne by California tourism suppliers, but the event is set up, promoted and produced by the DOT. The best agents will participate because it is an official program of the State of California.

The program includes inspection tours and educational seminars of both metropolitan areas as well as lesser-known destinations in Northern and Southern California.

Measurement: Quality of agents on the trip, evaluation forms provided by agents.

Budget:	DOT	\$5,000
	California industry	\$250,000
	Cooperative partners	\$250,000

North American Travel Market

Objective: To educate the domestic and international travel trade in Mexico, Canada and the United States for the purposes of stimulating increased travel to California.

Description: Each of the travel trade development sales missions and trade shows included in this section of the DOT's marketing plan were recommended by a committee comprised of DMO and tourism company domestic and international sales managers. This travel trade advisory committee reports to the CTC and has recommended that the DOT include this and other trade shows and markets as part of the State's outreach marketing program overseas. The North American Travel Market has never been attended by California, and several of the DMOs have expressed concern that California is missing important segments of the North American market by its absence.

Measurement: All international trade development programs will be measured by a new study, mentioned in the Research Evaluation section. Attendance, size of market served by attending participants, response to the sales sessions on evaluation forms.

Budget: DOT \$2,500

JATA

Objective: To further educate Japanese travel agents about selling travel to California for the purpose of stimulating increased sales.

Description: Japan is the largest source of overseas visitors to California and an important market to California's economy. It is essential to continued relations with our Japanese sales partners that the DOT attend JATA and promote the State. The DOT organizes sales efforts related to JATA by the California delegation of DMOs and travel companies.

Measurement: All international trade development programs will be measured by a new study, mentioned in the Research Evaluation section. Attendance, size of market served by attending participants, response to the sales sessions on evaluation forms.

Budget:	DOT	\$30,000
	California Industry	\$100,000

Visit USA Korea Fair

Objective: To educate Korean travel agents about selling travel to California for the purpose of stimulating increased sales.

Description: Korea is a growing source of overseas visitors to California and a potentially important market for California. Should Korea reduce its departure requirements, the destinations that have developed relations with Korean travel agents and tour companies will benefit first.

This travel fair directly follows JATA and provides the opportunity for California and its travel companies to combine two markets on one trip, reducing the cost if it were done separately.

Measurement: All international trade development programs will be measured by a new study, mentioned in the Research Evaluation section. Attendance, size of market served by attending participants, response to the sales sessions on evaluation forms.

Budget:	DOT	\$20,000
	California industry	\$100,000

Attendance: To be determined

FITUR Madrid

Objective: To educate Spanish travel agents about selling travel to California for the purpose of stimulating increased sales.

Description: Spain's economy has benefited greatly from the European Economic Community, so the Spanish are traveling overseas in increasing numbers. California has never attended a Spanish travel trade show, so the Spanish travel trade has difficulty in selling travel to California. Attendance at FITUR will be a trailblazing effort to

introduce California to the Spanish travel trade. The DOT will lead the State's travel industry into a new market, as requested by the CTC's Travel Trade Committee.

Measurement: All international trade development programs will be measured by a new study, mentioned in the Research Evaluation section. Attendance, size of market served by attending participants, response to the sales sessions on evaluation forms.

Budget: DOT \$4,000

Attendance: To be determined

Media Relations Program

No major new programs have been added to the Media Relations Program, though existing programs have been expanded through reallocation of resources.

Domestic Editorial Visits will include meetings with editors in New York and Chicago, as planned in 1992/93, but not conducted, due to scheduling conflicts with the California travel trade.

International editorial visits were productive in obtaining coverage from World Travel Market, Pow Wow and eastern Canada. We hope to add the same element to the program in Germany which was proven to be one of the best markets to benefit both rural and urban areas of California. Fred Sater and John Poimiroo have excellent, long-standing relations with a few German travel writers, but that's the problem, we need to develop fresh relations with writers and editors and that's what specific trips to meet these writers and editors is needed.

SATW National and Regional Conferences and Memberships

Objective: To sustain relations with key North American and western travel writers, broadcasters and editors and to stimulate interest in story concepts.

Description: Travel editorial coverage is based upon relationship-building. Both John Poimiroo, Director of Tourism and Fred Sater, Media Relations Manager, are members of the prestigious and exclusive Society of American Travel Writers. Attendance at the annual conference and one of the western chapter meetings by John and/or Fred gives the DOT a distinct advantage in developing editorial coverage about California, compared to the access which other states have to these writers.

Measurement: Contacts made, editorial coverage received.

Budget:	Conferences	\$1,600
	Memberships	\$580

CALIFORNIA DIVISION OF TOURISM

FY 1993/94 PROPOSED BUDGET

		<u>% of Budget</u>
Research	\$ 367,000	5%
Fulfillment and Collateral	865,000	12%
In-State/Rural Program	655,500	9%
Domestic Program	3,275,000	44%
International Program	970,500	13%
Media Relations	122,380	2%
Marketing Reserve	<u>229,620</u>	<u>3%</u>
Total Marketing Expenses	\$6,485,000	88%
Operating Expenses	\$1,000,000	12%
TOTAL DOT BUDGET	<u>\$7,485,000</u>	

RESEARCH PROGRAM

Economic Impacts of Travel in California		\$70,000
Statewide Impact (in-house)		
County Impacts	\$40,000	
TOT/Promotion Study*	\$30,000	
Evaluation Studies		90,000
Advertising Evaluation	\$50,000	
Fulfillment Evaluation*	\$20,000	
Trade Evaluation*	\$20,000	
Market Research		160,000
Focus Groups*	\$85,000	
Domestic Market Studies	\$25,000	
International Market Studies	\$40,000	
Mexican Leisure Market Study*	\$10,000	
Communications (Newsletter, graphic presentations)		22,000
Special Projects, Reserve		15,000
Administrative Fees		<u>10,000</u>
TOTAL		\$367,000
Breakdown by Contract		
Advertising Contract		302,000
Marketing Contract		65,000

* New in 1993/94

FULFILLMENT AND COLLATERAL

Adventures Guide*	\$ 25,000
Calendar of Events	90,000
Resort Directory*	50,000
Honeymooner's Guide*	50,000
International Brochures*	75,000
Fulfillment	575,000
California Map	Produced in FY 1992/93
Regional Brochures	In-State/Rural Program
Driving Tours Guide	In California Map & Regional Brochures
Accommodations Guide	Underwritten by CH&MA
Lodging Guide	Underwritten by CLIA
Bed and Breakfast Inns	Underwritten by CABBI
Golden California Travel Planner's Guide	Revenue Producer
Golden California Visitor's Guide	Revenue Producer
Golden California Magazine	Revenue Producer
Ski Brochure	<u>In Ski California</u>
TOTAL	\$865,000

* New in 1993/94

IN-STATE/RURAL PROGRAM

Region-Specific Marketing

\$ 10,000 Per Region (8 rural regions)	\$ 80,000
Trade Show Registration	
Booth Space	
Research	
Regional Advertising	
Regional Publicity	
State Sales Missions	
Regional Brochures	
Travel	
Postage	

Regional Brochures *

8 brochures (50,000 each)	100,000
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<u>Crisis Response*</u>	100,000
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<u>California Countryside Radio (year-round)</u>	50,000
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<u>Ski California</u>	205,000
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<u>California Countryside Promotion</u>	90,000
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<u>California Countryside - TIA Membership*</u>	
Membership	1,500
Pow Wow Booth (6 representatives)	6,000
Booth Development	15,000

<u>Consumer Shows*</u>	
Los Angeles Times	2,000
San Diego	2,000
Orange County	2,000
San Francisco	<u>2,000</u>

TOTAL	\$655,500
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* New in 1993/94

DOMESTIC PROGRAM

<u>Domestic Advertising</u>	
Western Markets	\$ 3,000,000
 <u>Cooperative Marketing</u>	
Fun Spots	200,000
 <u>National Tour Association*</u>	
Team California Promotion (Statewide advertising in <i>Courier</i> , NTA's magazine, California NTA Member directory, Spring, Fall and Winter promotions, FAM trips, educational program)	15,000
 <u>Domestic Trade Development</u>	
<u>Sales Missions</u>	
Northeast Sales Mission -- Washington* D.C., New York, New Jersey	10,000
 Midwest Sales Mission -- Chicago,* Oak Brook, Minneapolis	10,000
 <u>Trade Shows</u>	
American Airlines Fly Away Vacations Dallas, Texas	1,500
 Metro Phoenix World Travel Show* Sponsored by ASTA	1,500
 <u>Student Mail</u>	
Development of New Student Fulfillment Package*	5,000
 <u>Newsletters</u>	
California Adventures*	
Quarterly Travel Trade Newsletter	11,000
Insights	
Quarterly Marketing Newsletter	11,000
 <u>Fam Tours*</u>	<u>10,000</u>
TOTAL	\$3,275,000

* New in 1993/94

INTERNATIONAL PROGRAM

Cooperative Promotions

• California Dream Days	\$ 100,000
• Japan Credit Bureau	35,000
• Product Vision	12,000
• Special Promotions (Consumer)	
Japan (Sister Cities)	100,000
United Kingdom (Color Care)	100,000
Germany	100,000

International Trade Development

• Cooperative Advertising*	25,000
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Sales Missions/Trade Shows

• USTTA Australia/New Zealand Destination Seminars August 2-11, 1993	4,000
• Eastern Canada Sales Mission-Toronto, Montreal,** Winnipeg August 16-20, 1993	10,000
• Huddle West - San Diego August 26-28, 1993	12,000
• Western Canada Sales Mission-Calgary, Edmonton,** Vancouver August 30-September 2, 1993	10,000
• La Cumbre - Miami September 1-3, 1993	2,500
• Vusamart - Las Vegas September 7-11, 1993	3,000
• Destino USA Workshop - Barcelona September 15-20, 1993	<u>3,000</u>

Subtotal this page **\$ 516,500**

* New in 1993/94

** Includes travel expenses

International

Page 2

• European Sales Mission - Paris, Milan, Munich*/** September 27-October 1, 1993	\$ 30,000
• POW WOW Europe - Hamburg October 5-7, 1993	2,500
• Germany Super Familiarization Tour* October 1993	5,000
• Air New Zealand "Club CA" November 1-25, 1993	2,000
• North American Travel Market - Houston* November 3-7, 1993	2,500
• World Travel Market - London** November 15-19, 1993	50,000
• JATA - Tokyo*/** November 29-December 2, 1993	30,000
• Visit USA Korea Fair*/** December 5-7, 1993	20,000*
• FITUR - Madrid* January 1994	4,000
• Expo Vacaciones - Mexico City** February 1994	10,000
• ITB - Berlin** March 5-10, 1993	30,000
• South America** March-April 1994	<u>20,000</u>
Subtotal this page	\$ 206,000

* New in 1993/94

** Includes travel expenses

International

Page 3

- Japan Super Fam \$ 5,000
April 1994
- Discover America POW WOW 5,000
May 1994

Memberships

- Visit USA Center - Madrid 750
- Visit USA Center - Brussels 750
- TIA 1,500

International Marketing Services

- Overseas Representation
Japan 75,000
Germany/United Kingdom 150,000
- United Kingdom Video/Workbook Training Seminars 10,000

TOTAL \$ 970,500

* New in 1993/94
** Includes travel expenses

MEDIA RELATIONS PROGRAM

Domestic Editorial Visits

• New York/Chicago Media Blitz	\$50,000
• Los Angeles	400
• San Francisco Bay Area	400
• San Diego	<u>400</u>
Subtotal	\$51,200

International Editorial Visits

• World Travel Market, London	800
• Discover America International Pow Wow, Miami	1,500
• Canada Sales Mission	1,000
• Germany (Frankfurt, Munich & Berlin)	<u>2,000</u>
Subtotal	\$5,300

Press Trips

• California Dream Days, September '93	400
• Domestic Press Trips (2)	<u>800</u>
Subtotal	\$1,200

Conferences

• Society of American Travel Writers (SATW) National Convention, Puerto Vallarta, October '93	1,000
• SATW Western Chapter Meeting	<u>600</u>
Subtotal	\$1,600

Publicity

• Monthly Feature Releases	25,000
• Quarterly <i>What's New In California</i> Releases	10,000
• Miscellaneous Press Releases Publicizing Programs and Publications	<u>25,000</u>
Subtotal	\$60,000

Photography

• Duplication of Slides	2,500
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Memberships

• Society of American Travel Writers	480
• Outdoor Writers Association of California	<u>100</u>
Subtotal	\$580

TOTAL \$122,380

Glossary of Terms and Acronyms

ABA - American Bus Association, comprised of bus companies, operators and owners.

AVHRM - Association of Vacation Home Rental Managers

Business Travel - Travel for commercial, governmental or educational purposes with leisure as a secondary motivation.

Buyer - a member of the travel trade who reserves room blocks from accommodations or coordinates the development of travel product.

Blocked - hotel rooms held without deposit.

Booked - hotel rooms, airline tickets or other travel services held for a specific client.

Carrier - any provider of mass transportation, usually used in reference to an airline.

California Conference on Tourism - an annual, statewide tourism conference, jointly sponsored by the DOT and CALTIA.

California Tourism Policy Act of 1984 - The law which articulates the purpose of and authority for tourism marketing within California.

CABBI - California Association of Bed and Breakfast Innkeepers.

CALFEST - California Association of Fairs and Festivals.

CALTIA - The California Travel Industry Association, an industry association which represents all segments of California's travel industry.

CBA - California Bus Association.

Chambers of Commerce - CofCs specialize in local economic development and can include tourism promotion.

Charter Group - Group travel in which a previously organized group travels together, usually on a custom itinerary.

CH&MA - California Hotel & Motel Association.

CLIA - California Lodging Industry Association.

CofC - Chamber of Commerce.

Convention and Visitors Bureau - C/VBs are local tourism marketing organizations which specialize in developing conventions, meetings, conferences and visitation to a city, county or region.

Cooperative Partner - an independent firm or organization which works with the DOT by providing cash or in-kind contribution to expand the marketing impact of the DOT program.

Cover - each diner at a restaurant.

CTC - California Tourism Commission.

CTRLA - Car and Truck Rental and Leasing Association.

C/VB - Convention and Visitors Bureau.

Destination - a hotel, resort, attraction, city, region, or state.

Destination Marketing Organization - DMOs are local tourism marketing organizations, such as convention and visitors bureaus or chambers of commerce.

DMO - Destination Marketing Organization.

Domestic Program - Marketing done to promote travel by Californians within California. Both rural and urban regions of California benefit.

DOT - California Division of Tourism, formerly the California Office of Tourism.

Fam Tours - organized trips for travel agents, tour operators, tour wholesalers or other members of the travel trade for the purpose of educating and "familiarizing" them with tourism destinations. By seeing the destinations that they are sending travelers, the travel trade is better prepared to answer customer questions and promote travel to the location. Also called "fams" or "familiarization tours."

Feeder Airport/City - An outlying city which feeds travelers to hubs or gateway cities.

FIT (Free Independent Travel) - Individual travel in which a tour operator has previously arranged blocks of rooms at various destinations in advance for use by individual travelers. These travelers travel independently, not in a group, usually by rental car or public transportation.

Frequency - the number of times an advertisement appears during a given campaign.

Gateway or Gateway City - A major airport, seaport, rail or bus center through which tourists and travelers enter from outside the region. San Francisco is a gateway, because of its international airport, seaport, and ground services.

GIT (Group Independent Travel) - Group travel in which individuals purchase a group package in which they will travel with others along a pre-set itinerary.

Hub - An airport or city which serves as a central connecting point for aircraft, trains or buses from outlying feeder airports or cities.

Icon - A facility or landmark which is visually synonymous with a destination.

California's most famous tourism icons include: the Golden Gate Bridge, the Hollywood sign, Yosemite's Half Dome, Yosemite Falls, palm trees, Venice beach, redwood trees, and cable cars.

International Program - Marketing done to promote travel to California by residents of other countries. Both rural and urban regions of California benefit.

Leisure Travel - Travel for recreational, educational, sightseeing, relaxational and other experiential purposes.

Market Share - The percentage of business within a market category. For example, California held an 11.3% share of U.S. leisure travel in 1991. This means that of all Americans participating in leisure travel in that year, 11.3% did so in California.

Market Volume - The total number of travelers within a market category. For example, 194.6 million person leisure trip visits occurred in California in 1991.

NTA - National Tour Association, comprised of domestic tour operators.

Person Trip Visit - Every time a person travels more than 100 miles (roundtrip) in a day or stays overnight away from his/her primary domicile, whether for business or leisure purposes, he/she makes one "person trip visit." A family of four which travels from Sacramento to Lake Tahoe and back in a day would make four person trip visits. There were 259 million person trip visits in California in 1991.

Pow Wow - the largest international travel marketplace held in the United States, sponsored by TIA and USTTA.

Press Trips - organized trips for travel writers and broadcasters for the purpose of assisting them in developing stories about tourism destinations. Often, journalists travel independently, though with the assistance of the DOT and DMOs.

Press/Publicity Release - a news article or feature story written by the subject of the story for delivery and potential placement in the media.

Property - a hotel, motel, inn, lodge or other accommodation facility.

Reach - the percentage of people within a specific target audience reached by an advertising campaign.

Retail Agent - a travel agent.

Room Blocks - Several rooms held for a group.

Rural Region - California has been divided into twelve tourism regions, eight of which are defined as rural regions. They include: The North Coast, Shasta-Cascade, High Sierra, Central Valley, Gold Country, The Deserts, Central Coast and the Inland Empire.

Sales Missions - Where California suppliers travel together to another state or country for the purpose of collectively promoting travel to California. Sales missions may include educational seminars for travel agents and tour operators.

Sales Seminar - an educational session in which travel agents, tour operators, tour wholesalers or other members of the travel trade congregate to receive briefings about tourism destinations.

Target Audience/Market - a specific demographic, sociographic or geographic target at which marketing communications are directed.

Target Rating Points - TRPs are a statistical measurement which allows one to evaluate the relative impact of differing advertising campaigns.

TIA - Travel Industry Association of America. The national counterpart to CALTIA.

T&C - California Trade and Commerce Agency, formerly the California Department of Commerce.

TOT - Transient Occupancy Tax.

Tourism - Leisure travel.

Tourist/Visitor/Traveler - Any person who travels whether for leisure or business purposes more than 100 miles (roundtrip) in a day or who stays overnight away from his/her primary domicile.

Tour Operator - an individual or company that organizes and conducts packaged tours.

Tour Wholesaler - an individual or company that sells tour packages and tour product to travel agents. Tour wholesalers usually receive a 20% discount from accommodations, transportation companies and attractions and pass on a 10 to 15% discount to the retail agent.

Transient Occupancy Tax - TOT or bed tax is a locally set tax on the cost of commercial accommodations and campgrounds.

Travel Agent - an individual who arranges travel for individuals or groups. Travel agents may be generalists or specialists (cruises, adventure travel, conventions and meetings). Travel agents receive a 10 to 15% commission from accommodations, transportation companies and attractions for coordinating the booking of travel. They typically coordinate travel for their customers at the same or lower cost than if the customer booked the travel on his/her own.

Travel - Leisure and other travel including travel for business, medical care, bereavement, education, etc. All tourism is travel, but not all travel is tourism.

Travel Product - published tour and travel packages.

USTTA - United States Travel and Tourism Administration, the U.S. Department of Commerce's travel and tourism promotional agency. Its function is to promote travel to the U.S. from other countries.

WACVB - Western Association of Convention and Visitors Bureaus.